The Securities Commission of The Bahamas has not expressed any opinion about the merits of these securities or determined that this prospectus is accurate or complete. It is illegal for anyone to tell you otherwise.

PRIVATE PLACEMENT MEMORANDUM

B$40,000,000.00 Offering of Series F Preference Shares

FOCOL Holdings Limited
April 11, 2024

FOCOL Holdings Limited
FUELLING GROWTH FOR PEOPLE

Head Office: Queens Highway, P.O. Box F-42458, Freeport, Grand Bahama, The Bahamas.
Tel: (242) 352-8131 Fax: (242) 352-2986
Web: www.focol.com

at an offer price of $100.00 per Share par value of $100.

This Offering opens at 9:00 A.M. on Monday 15th April 2024 and expires at 5:00 P.M. on Friday 26th April 2024. Eligible Investors are reminded that the Directors reserve the right to extend the Closing Date for this Offering in their sole discretion if they deem necessary. This Offering is available to all Eligible Investors. **There are certain risks associated with investing in these Preference Shares. Prospective Eligible Investors should not treat the contents of this Memorandum as advice relating to legal or investment matters and are advised to consult their own professional advisors concerning any proposed investment in the Preference Shares offered herein.**

This Memorandum is not required to be registered with the Securities Commission of The Bahamas (the "Commission") under regulation 109 of the Securities Industries Regulations. While this document has not been registered with the Commission, a copy has been filed with the Commission as required by the Securities Industry Regulation 2012. However, the Commission has not checked and will not check the accuracy of the statements made herein and accepts no responsibility therefore or for the financial soundness of the issuer or the value of securities concerned and neither the Commission nor the Government of The Commonwealth of The Bahamas passes judgment on the merits of the offering and is therefore not liable for any statements or omissions contained herein.

The Directors collectively and individually accept full responsibility for the accuracy of the information given as of the date hereof and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement in this Memorandum misleading. This Memorandum is intended for use only in the Commonwealth of The Bahamas and is not to be construed as an Offering of any Preference Shares outside The Bahamas. This Memorandum shall be governed by and construed in accordance with the laws of the Commonwealth of The Bahamas.

No underwriter and no promoter has been involved in the preparation of this Memorandum or performed any review of the contents of this Memorandum.

CONTACTS

All contacts should be made through Colina Financial Advisors Limited ("CFAL"). Any question or requests for further information should be directed to:

COLINA FINANCIAL ADVISORS LIMITED
308 East Bay Street, 3rd Floor
Nassau, The Commonwealth of The Bahamas

Anthony Ferguson	Angelo Butler	Shania Darville
President & Founder	*Manager, Corporate Advisory Services*	*Corporate Advisory Administrator*
Tel: 242-502-7004	Tel: 242-502-7017	Tel: 242-502-7082
Fax: 242-393-4639	Fax: 242-393-4639	Fax: 242-393-4639
aferguson@cfal.com	abutler@cfal.com	sdarville@cfal.com

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NOTICE TO INVESTORS

This Memorandum is being furnished by the Company for use by potential investors considering investing in the Company through a private placement of Preference Shares (the “Preference Shares”). This Memorandum is not intended to provide the primary basis for any decision about, or evaluation of, the Preference Shares and should not be considered as a recommendation to participate in the proposed transaction.

The information contained in this Memorandum has been obtained from the Company and from other sources identified herein. Colina Financial Advisors Limited (the “Financial Advisor”) makes no representations or warranties as to the accuracy or completeness of information contained in this Memorandum, or any other written or oral communication transmitted in the course of the evaluation of the Company and the securities offered. The Financial Advisor has not independently verified any of the information and data contained herein and the same is enclosed for information purposes only. The Financial Advisor makes no representation or warranty as to the accuracy or completeness of such information and will not have any liability for any representations (expressed or implied) contained in, or for any omissions from, this Memorandum or any other written or oral communication transmitted to the recipient by the Financial Advisor, in the course of the recipient’s evaluation of this Offering. This Memorandum is not an offer to sell the Preference Shares (or beneficial interests therein) and it is not a solicitation of an offer to buy the Preference Shares in any jurisdiction where such an offer to sell or solicitation of offer to buy is not permitted. Neither the Bahamas International Securities Exchange (“BISX”) nor the Securities Commission of The Bahamas (“Commission”) have confirmed or otherwise endorsed the accuracy of this Memorandum.

This Memorandum is not intended to provide the basis for any credit or other evaluation and should not be considered as a recommendation by the Financial Advisor that any recipient hereof participates in this Offering. Each recipient contemplating participating in this Offering is responsible for making his/her/its own independent investigation of the financial condition and affairs of the Company or any other party referred to in this Memorandum. The delivery of this Memorandum at any time does not imply that the information contained herein is correct at any time subsequent to the date hereof. The Financial Advisor does not accept responsibility for updating this Memorandum and therefore it should not be assumed that the information contained herein is necessarily accurate, complete, or up to date other than on the date stated on its cover page.

The Preference Shares described herein are being offered only to Eligible Investors as defined herein and are subject to the laws of The Bahamas. The purchasers must bear the risks associated with holding the Preference Shares. See “Investment Risks Factors” herein for a discussion of some of those risks.

The Memorandum and its appendices, together with any information contained herein or disclosed during discussions related hereto, are confidential and, without the express prior written consent of the Issuer, may not be reproduced, or used for any purpose other than the evaluation of the proposed transaction, or furnished to any other person, except your employees with a need to know who are advised of the confidentiality of the information. By your acceptance of this Memorandum and such information, you agree to comply with the provisions of the preceding sentence.

This Memorandum is intended for use only in The Commonwealth of The Bahamas and is not to be construed as an Offering of any Preference Shares herein referred to outside of The Bahamas. The Private Placement is available to all “Eligible Investors” as defined herein.

This Memorandum contains forward looking statements which are often identified with words such as "estimate," "plan," "expect" and "believe," which are estimates reflecting the best judgment of the Company’s management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by forward looking statements. Potential investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they were made.

This Memorandum is issued for the purpose of giving information to potential Eligible Investors with regard to the Issuer. The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement in the Memorandum misleading.

GLOSSARY OF TERMS

In this document, unless the context otherwise requires, the following expressions have these meanings assigned to them:

Term	Definition
"B$" or "Bahamian Dollars"	The legal currency of The Bahamas
"Basis of Allotment"	As described on page 14
"BISX"	The Bahamas International Securities Exchange
"Board"	The Board of Directors of FOCOL Holdings Limited
"Book Entry"	The ownership of the Preference Shares will be recorded in the Company's register of members and certificates will not be issued for the Preference Shares
"FOCOL", "Company", "Issuer"	FOCOL Holdings Limited
"Central Bank"	The Central Bank of The Bahamas
"Closing Date"	April 26, 2024, unless extended by the Directors, being the date upon which the Preference Shares will be issued. This date may be extended at the discretion of the Directors for up to 3 months
"Commission"	The Securities Commission of The Bahamas
"Directors"	The Board of Directors of FOCOL Holdings Limited
"Dividend(s)"	The dividend paid or to be paid to the Preference Shareholders
"Eligible Investor(s)"	An investor who meets the eligibility criteria set out at pages 31-32, who (or which) is also an accredited investor as defined at pages 32-33 of this Memorandum
"Escrow Agent"	Colina Financial Advisors Limited
"Financial Advisor"	Colina Financial Advisors Limited
"Government"	the Government of the Commonwealth of The Bahamas
"IFRS"	International Financial Reporting Standards
"Issue Date"	The date upon which the Offering is fully subscribed and allotted, being April 26th, 2024 unless the Offering is extended by the Directors
"Issue Price"	The price at which the Preference Shares are being offered to Eligible Investors, which is B$100.00 per Preference Share
"Net Income"	On a consolidated basis for any period, net income determined in accordance with IFRS
"Memorandum"	This Private Placement Memorandum
"Offering"	The offering of Series F Preference Shares by the Company in accordance with the terms off this Memorandum
"Officers"	Executives of the Company who are directly appointed by the Board of Directors
"Opening Date"	The date upon which the Preference Shares are first made available for sale; specifically, April 15th, 2024
"Placement Agent"	Colina Financial Advisors Limited
"Power of Attorney"	By subscribing, you appoint the Company's transfer agent, Colina Financial Advisors Limited, as your Attorney-in Fact and agent.

“Preference Shares”	The Series F Preference Shares
“Preference Shareholder(s)”	Owners(s) of Preference Shares
“Redeemable”	Redeemable refers to the redemption of the Shares at maturity or at the option of the Company prior to maturity. The Company may redeem all or any part of the Series F Preference Shares at any time following five (5) years after the Closing Date
“Registrar and Transfer Agent”	Colina Financial Advisors Limited
“Series F Preference Shares”	The 6.25% Series F Preferences Shares par value B$100 being offering by the Company in accordance with the terms of this Memorandum
“Shareholder(s)”	Owners(s) of Preference Shares
“The Bahamas”	The Commonwealth of The Bahamas

The information which follows is only a summary of the information contained in the Memorandum, and prospective purchasers are advised to read the entire Memorandum prior to deciding whether to invest in the securities being distributed.

SUMMARY OF THE OFFERING

This Memorandum is being furnished to you by FOCOL Holdings Limited ("we", "us", the "Company"), for use in connection with your consideration of an investment in FOCOL Holdings Limited through a private placement ("Private Placement" or "Offering") of Series F Preference Shares (hereinafter referred to as the "Preference Shares"). The net proceeds from the issuance of the Preference Shares will be used to fund the Company's overall expansion.

Proceeds from the preference share offering	$40,000,000.00
Less: Advisory, Placement & Escrow Fees	$660,000.00
Net Proceeds	$39,340,000.00

Executive Overview

FOCOL Holdings Limited, Formerly Freeport Oil Holdings Company Limited, (The Company) owns all of the outstanding shares of Freeport Oil Company Limited (FOCOL) and Grand Sun Investment Limited (GRAND SUN). FOCOL is engaged in the wholesale distribution of a full range of petroleum products and lubricants.

History of FOCOL Holdings Limited

FOCOL Holdings Limited, Formerly Freeport Oil Holdings Company Limited, (the Company) owns all of the outstanding shares of Freeport Oil Company Limited (FOCOL)

Freeport Oil Company Limited (FOCOL) was formed in 1967 by the Grand Bahama Port Authority Limited (GBPA) as a distributor of petroleum products from the Bahamas Oil Refining Company (BORCO) terminal to service stations and other businesses in Freeport, Grand Bahama.

Under powers granted by the Hawksbill Creek Agreement, the Port Authority licensed FOCOL as the sole supplier of petroleum products in Freeport until the year 2054.

In 1982, a group of Bahamian businessmen purchased Freeport Oil Company Limited from the GBPA and subsequently expanded its business in Grand Bahama beyond distribution to include Terminal and Retail Operations, and LPG (Propane) Distribution.

By contrast to early economic challenges in Grand Bahama in the late 1980's, the 1990's was marked by unprecedented growth as the Company restructured and expanded its business acquiring five existing retail service stations from independent owners; constructing new retail sites, developing its own bulk fuel and bulk propane terminals, and acquiring the Shell Bahamas Propane business in Grand Bahama. The company's expansion of its bulk terminal facilities ultimately led to its reclassification by the Ministry of Consumer Affairs from "distributor" to "major supplier", with all its attendant benefits and responsibilities.

On July 23, 1999, Freeport Oil Holdings Company Limited successfully completed its initial public offering of shares, and on May 11, 2000, it listed those shares on the Bahamas International Securities Exchange.

On December 7, 2005, by a majority shareholders' resolution, the name of the Company was changed from

Freeport Oil Holdings Company Limited to FOCOL Holdings Limited and they also authorized the addition of 60,000,000 in preference shares.

As the company sought to expand its footprint beyond Grand Bahama, the company entered into a Purchase and Sale Agreement with Royal Dutch Shell to purchase the Shell Bahamas business in the Bahamas and Turks & Caicos Islands in November 2005. In part to finance this transaction, the Company issued 20,760,000 Class "A" Preference Shares via private placement and on January 16, 2006, the Company executed a Share Purchase Agreement as guarantor with Freeport Oil Holdings Investments Limited, a wholly owned subsidiary, as the purchaser, and Shell Overseas Holdings Limited as the seller of Shell Bahamas Limited. In the transaction, Shell Bahamas Limited changed its name to Sun Oil Limited and on execution of the Agreement was acquired as such by the Company.

In the years following the acquisition of Shell Bahamas, the Company continued its growth trajectory through restructuring and efficiency initiatives, infrastructure development, supply chain optimization, and revitalization of the Shell brand in the local market.

The opening of the Shell Montagu Retail Station in 2009 represented the first New To Industry (NTI) site on New Providence in many years, and was followed by two additional NTI sites, Shell Airport and Shell Old Fort Bay, within a five year period.

In 2019 the Company established a new wholly-owned subsidiary called Bahamas Utilities Company Limited ("BUC"), as part of FOCOL's integration into the wider Energy Industry. One of BUC's missions is to provide clean and modern energy solutions to utility companies as they battle aging infrastructure amid increasing demand for energy. In 2021, BUC introduced the country's first gas-powered generation in New Providence through a 16.8MW power plant operating on LPG (Propane). Today, with assets in excess of US$ 100 million, BUC has expanded its production capacity to 70MW.

The Company continues to embrace and develop opportunities in its evolution from a "fuel distributor" to a total energy company committed to clean, affordable fuels and energy that drives economic growth and advancement for all stakeholders.

Key Milestones

1989: The Company incorporated Gran Sun Investments Limited (Grand Sun) which was licensed by the GBPA to own and operate service stations in Freeport. Today the Company's retail business in Grand Bahama is comprised of six (6) retail service stations, four (4) of which are subsidiaries of Grand Sun.

1994: The Company constructed its own Bulk Propane Storage and Distribution Terminal in Grand Bahama with an initial capacity of 50,000 Gallons. It would mark the Company's entry into the Propane business which would compete successfully with well-established propane supply and distribution businesses.

1997: The Company completed construction of a new 2.3-million-gallon Bulk Fuel Terminal facility in June of 1997. Through several phased expansion initiatives, this facility's capacity has increased to 5.5 million gallons in-line with increased level of activities and outlook for the operations in Grand Bahama. The initial bulk terminal expansions facilitated improvements in procurement, logistics and cost structure arising from economies of scale.

1999: The Company completed its Initial Public Offering on July 23, 1999, and listed its shares on the Bahamas International Securities Exchange (BISX) in May 2000 with 1,600 shareholders.
2002: In September 2002, after several years of competition, FOCOL acquired Shell Bahamas' Propane business and assets in Grand Bahama for US$ 3.9 million.

2006: The Company acquired Shell Bahamas Limited business and assets in the Bahamas and Turks & Caicos extending its operations beyond Grand Bahama. The Company also acquired the former Texaco Bahamas Terminal and Service Station assets (GAL Terminal Limited) on Grand Bahama.

2009: Given an expansive terminal footprint across five islands in the Bahamas, a facility in Turks & Caicos and a broad customer base across the archipelago, The Company took a strategic decision to acquire a 60% interest in BTCI Tankers Limited which owns and operates a fleet of coastal tankers for the distribution of its petroleum products to its terminals and customers throughout The Bahamas and Turks & Caicos Islands.

2012: The Company acquired Shell Bahamas' aviation assets and interests in a Joint Aviation Operation Facility at the Lyden Pindling International Airport (LPIA). This investment provides the Company with the access needed for the distribution of aviation products. 2012 also marked the beginning of a series of investments intended to eliminate cost and to fortify the Company's assets and infrastructure. The Company expanded its Bulk Propane Storage Terminal at Clifton Pier, more than doubling its capacity to 1.2 million gallons and cementing its position as the largest importer of Propane in The Bahamas & Turks & Caicos.

2013 – 2018: Continued investments in fuel handling and logistics infrastructure and equipment resulting new and improved Berthing Facilities at the Clifton Pier and Freeport terminals; three (3) new and larger ships for the import of propane and the distribution of fuels to meet the high growth demands for fuel and energy. These changes also facilitated procurement efficiencies through favorable disruptions in supply chain dynamics.

2019: Bahamas Utilities Company was formed and hired its first employee with primary focus on Renewable Energy project development.

2021 – 2023: May 2021 Bahamas Utilities commissioned its first power plant, the first and only gas-fired utility generation plant in the Bahamas producing 16.8MW of clean electricity.

2022: July 2022 Bahamas Utilities commissions a second power plant with total capacity of 27 MW of high efficiency power generation.

2023: In April, the Company develops its first renewable energy project with Grand Bahama Power executing a long-term Power Purchase Agreement for 5MW of Solar Energy. June 2023, Bahamas Utilities commissions a 30 MW GE gas turbine engine at Blue Hills Power Station.

2024: Between February 21, 2024 and April 5, 2024, the Company conducted a rights offering for 5,010,435 shares. The offering was fully subscribed, raising a total sum of $25,052,175.00.

TERMS & CONDITIONS OF THE OFFERING

This summary is to be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2023 (Appendix C) and the Company's unaudited financial statement for the period ended December 31, 2023 (Appendix D), and the information appearing in this Memorandum.

Issuer	FOCOL Holdings Limited
Issue Type	Cumulative Preference Share – Series F
Issue Size	B$40,000,000
Opening Date	April 15, 2024
Closing Date	April 26, 2024
Settlement Date	April 30, 2024
Auditor	Deloitte & Touche Bahamas
Escrow Agent / Placement Agent	Colina Financial Advisors Limited ("CFAL")
Paying Agent / Registrar	CFAL
Bankers	CIBC FirstCaribbean International Bank
Listed Exchange	None
Ranking	The Series "F" Shares will rank, with respect to the payment of dividends and payments upon liquidation: i) Pari passu with any other Preference Shares. ii) Senior to the Company's Ordinary Shares, any other of the Company equity Securities which by their terms rank junior to the Series F Shares.
Security/Collateral	The shares are a general obligation of the Issuer and are not secured by any specific collateral or guarantee.
Interest Rate & Frequency	The shares will make semiannual payments of dividends in arrears on the principal balance outstanding at the time of such payment based on 1/2 of the following annual percentage rate: [6.25]% on a 30/360 day basis on the 30th of April and the 31st October with the first dividend to be paid on the 31st of October, 2024.
Principal Repayment	Repayment of Principal will occur in five equal installments beginning April 30, 2035.
Maturity	April 30, 2039
Early Redemption	The Issuer may not redeem the Series F Shares prior to the fifth Anniversary Date. After the fifth Anniversary Date, the Issuer may at its option redeem the Series F Shares in whole or in part upon the provision of 90 days' prior written notice to the holders of such Series F Shares.
Liquidation Preference	If the company liquidates, dissolves, winds up or sells more than 51% in the value of the Company's assets other than in the ordinary course of the Company's business, the shareholders of the preference shares will have the right to redeem at par.
Use Of Proceeds	The proceeds of the Series F Shares will be used for expansion of FOCOL Holdings Limited.
Sinking Fund	None
Minimum Subscription	B$50,000 and in increments of B$10,000 thereafter.
Par Amount/ Issue Price	Issued at 100% of Par ($100). No fractional amounts will be issued.

Further Issue/Upsizing	The Issuer reserves the right to increase the size of the offering at the Closing Date, or anytime thereafter, without the consent of the shareholders.
Basis Of Allotment	The Board of Directors reserves the right to allocate the Series F Shares in its absolute discretion although it is the intent of the Board of Directors to allot the Series F Shares on a first come, first served basis, meaning that the Series F Shares will be issued in the amounts requested, in the order subscriptions are received. In the event that the Series F Shares are oversubscribed, the allocations will be determined at the discretion of the Board of Directors. In the event of under-subscription by the closing date, the Board of Directors may in their sole discretion extend the offering period for additional subscriptions until such time as the issue is fully subscribed.
No Voting Rights OR Equity Ownership	Shareholders will not have an equity interest in the Issuer. Shareholders' voting rights are limited and ensure solely in respect of those matters set out herein.
Conversion Rights	The preference shares are not convertible into or exchangeable for any other security of the Company. However, should FOCOL Holdings Limited decide to conduct a public offering, Series F shareholders would have the right to convert their preference shares to common shares.
Default	All Principal owing in respect of the Series F Shares shall become immediately due and payable, together with all outstanding accrued and unpaid Dividends, upon the Company's failure to pay dividends on three consecutive Dividend Payment Dates.
Covenants	1) The company will release quarterly unaudited financials and annual audited financials as per its obligation as a public company. Should the company not publish the information on BISX, shareholders will be entitled to request the financial statements directly from the company. 2) The company will request Series - E shareholder approval prior to any plans to issue senior debt, in tranches or whole equal to 75% of the average assets over the previous two years.
Evidence Of Ownership	Book Stock
Governing Law	The Laws of The Commonwealth of The Bahamas

OFFER TIMETABLE

Opening Date:	9:00 A.M., April 15th, 2024
Closing Date:	5:00 P.M., April 26th, 2024
Issue Date:	April 26th, 2024
Confirmation Date:	Within 21 days of Closing Date

INVESTMENT RISK FACTORS

Prior to making an investment decision, Eligible Investors should consider carefully whether an investment in the new Preference Shares is suitable for them in light of all the information in this Memorandum and their personal circumstances. Eligible Investors should note that the Preference Shares have a return risk countered only by the ability of the Company to meet its obligation. As such, investors could lose all or a portion of their investment.

In addition to other information set forth in this Memorandum, the Company will be subject to a number of risk factors, which may impact on its future performance. Eligible Investors should consider the following factors in addition to the other information in this Memorandum before subscribing for Preference Shares in the Offering. The risks and uncertainties described below are not set forth in any particular order and the risk factors described below are not an exhaustive list or explanation of all risks which investors may face when making an investment in the new Preference Shares and should be used as guidance only. Additional risks relating to the Company that are not currently known to the Company, or that the Company currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's business, operations, financial condition and/or prospects and, if any such risk should occur, the price of the new Preference Shares may decline and investors could lose all or part of their investment.

The Company's actual results could differ materially from those anticipated. Prospective investors should note that the risks relating to the Company, the oil and gas industry and the new Preference Shares, outlined in this section of the Memorandum headed "Investment Risk Factors" are the risks that the Directors and the Company believe to be the most essential to an assessment by a prospective investor of whether to make an investment in the new Preference Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should also consider the information on the key risks and uncertainties described below. Eligible Investors are encouraged to seek independent professional investment and legal advice.

Caution Regarding Forward-Looking Statements

This Memorandum and its exhibits contain forward-looking statements about the Company's plans, objectives, expectations and intentions. Forward-looking statements include information concerning possible or assumed future results of operations and are not a guarantee of future performance as actual results could differ materially from those contained in forward-looking statements. Generally, these forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and the use of words such as "anticipate," "believe," "estimate," "expect," "may," "will," "should," "plan," "intend," "project" or phrases such as "will be well-positioned to," "will benefit," "will gain" and similar expressions. Examples of forward-looking statements include, among others, statements regarding the Company's future financial position, income growth, assets, impairment charges and provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), projected levels of growth in the banking and financial markets, projected costs, original and revised commitments and targets in connection with the transformation program, deleveraging actions, estimates of capital expenditures and plans and objectives for future operations and other statements that are not historical fact. You should read statements that contain these words carefully. They discuss our future expectations or state other forward-looking information and may involve known and unknown risks over which we have no control.

We believe that the assumptions on which these forward-looking statements are based are reasonable. However, we cannot assure you that the actual results or developments we anticipate will be realized or, if realized, that they will have the expected effects on the business or operations of the Company. These may be affected by changes in legislation, the development of practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current or future legal proceedings and regulatory investigations, future levels of provisions, the policies and actions of governmental and regulatory authorities, and the impact of competition. In addition, factors including but not limited to capital, leverage and other regulatory rules applicable to past, current and future periods; the effect of continued volatility in credit markets, market related risks such as changes in interest rates and foreign exchange rates; the effect of changes in valuation of credit market exposures; changes in the valuation of issued securities; volatility in capital markets; the ability to implement the transformation program as further described herein; and the success of future acquisitions, disposals and other strategic transactions.

All subsequent written and oral forward-looking statements concerning the matters addressed in this Memorandum and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Forward-looking statements speak only as of the date of this Memorandum. Except as required by applicable law or regulation we expressly disclaim any obligation or undertaking to update, review or revise any of these forward-looking statements contained herein to reflect any change in FOCOL's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based or otherwise. Undue reliance should, therefore, not be placed on such forward-looking statements in the Memorandum. You are advised to read carefully the risk factors set out in the section entitled "Investment Risk Factors" in the Memorandum for a discussion of certain factors that should be considered when deciding what action to take in relation to the Preference Shares Issue.

Business Conditions and the General Economy

The Company's projected earnings depend to a large extent on the economy of The Commonwealth of The Bahamas, which is sensitive to numerous factors beyond the Company's control, including general economic domestic and international conditions and macroeconomic policies. General economic conditions such as inflation, recession, unemployment and monetary policies can affect the profitability of the sector and the Company.

Price Risk

Investors should be aware that the market value of their investment might go down as well as up. Historical results and profitability do not guarantee future performance. The market price of the Shares following the Offering could be subject to significant fluctuations in response to various factors and events, such as, but not limited to, the liquidity of the market, differences between the Company's actual financial or operating results and those anticipated by analysts and investors, and changes in analysts' recommendations.

Margins on some of the Company's products are regulated

The Company operates within The Bahamas in an industry that is subject to the Price Control Act 1971 which regulates the petroleum industry in The Bahamas. The Price Control Act regulates the pricing structure and gross margins on wholesale and retail prices of gasoline, diesel fuel and propane.

Credit Risk

The company in its normal operations extends credit to its customers. The company may suffer financial loss if any of its customers, clients or market counterparties fails to fulfill their contractual obligations to the company. Because these credit-related risks may be adversely impacted by weak or deteriorating economic conditions, the Company's performance is at risk from any continuing weakness or deterioration in the economic environment in any of the Company's main business markets. The threat of a weaker economy in The Bahamas where the company operates and/or the possibility of a slowing of monetary stimulus by the government could lead to generally weaker than expected growth, contracting Gross Domestic Product, reduced business confidence, higher levels of unemployment, rising inflation, potentially higher interest rates and consequently to an increase in delinquency rates and default rates among customers.

Funding Risk

The ability of the company to achieve its business plans may be adversely impacted if it does not effectively manage its liquidity and capital. Funding risk is the risk that the company may not be able to achieve its business plans due to: being unable to maintain appropriate ratios (Capital risk) and failing to manage its liquidity and funding risk sufficiently (Liquidity risk).

Operational Risk

The operational risk profile of the company may change as a result of human factors, inadequate or failed internal processes and systems, and external events. The company is exposed to many types of operational risk, including fraudulent and other criminal activities (both internal and external), the risk of breakdowns in processes, controls or procedures (or their inadequacy relative to the size and scope of FCL's business) and systems failure or non-availability. The company is also subject to the risk of disruption of its business arising from events that are wholly or partially beyond its control (for example natural disasters, acts of terrorism, epidemics and transport or utility failures) which may give rise to losses or reductions in service to customers and/or economic loss to the company. The operational risks that the company is exposed to could change rapidly and there is no guarantee that the Company's processes, controls, procedures and systems are sufficient to address, or could adapt promptly to, such changing risks. All of these risks are also applicable where the company relies on outside suppliers or vendors to provide services to it and its customers.

Infrastructure Resilience, Technology and Cyber Security

The Company's technological infrastructure is critical to the operation of the Company's businesses and delivery of products and services to customers. Any disruption could have a significant impact on the Company's reputation and may also lead to potentially large costs to both rectify the issue and reimburse losses incurred by customers. Technological efficiency and automation are also important to the control environment and improvement in this respect is an area of focus for FCL. Risks to technology and cybersecurity change rapidly and require continued focus and investment. Given the increasing sophistication and scope of potential attacks via cyberspace, it is possible that future attacks may lead to significant breaches of security. Failure to manage cyber security risk adequately could adversely affect the Company's reputation, operations, financial condition and prospects.

Critical Accounting Estimates and Judgements

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgement in applying relevant accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements, include credit impairment charges, impairment and valuation of available-for-sale investments, calculation of income, fair value of financial instruments, valuation of goodwill and intangible assets, valuation of provisions and accounting for pensions and post-retirement benefits. There is a risk that if the judgment exercised or the estimates or assumptions used subsequently turn out to be incorrect then this could result in significant loss to the company, beyond that anticipated or provided for, which could have an adverse impact on the Company's operations, financial results and condition and prospects. Observable market prices are not available for many of the financial assets and liabilities that the company holds at fair value and a variety of techniques to estimate the fair value are used. Should the valuation of such financial assets or liabilities become observable, for example as a result of sales or trading in comparable assets or liabilities by third parties, this could result in a materially different valuation to the current carrying value in the Company's financial statements. The further development of standards and interpretations under IFRS could also significantly impact the financial results, condition and prospects of the Company.

No Independent Representation

The Company has consulted with legal counsel, financial advisors and other experts regarding the structure of the Company and this Memorandum. Such counsel and advisors are accountable to the Company only and not to the holders of the Preference Shares themselves. Each prospective investor should consult their own independent advisors in determining the desirability of an investment in these Preference Shares.

Actions and regulations of the Government

The company is exposed to sovereign risks in The Bahamas and can be negatively impacted by potential government actions and regulations. In addition, non-compliance by the Company with applicable laws, regulations and codes of conduct relevant to its business in the jurisdictions in which it operates, whether due to inadequate controls or otherwise, could lead to substantial monetary damages and/or fines, loss of significant assets, public reprimands, a negative effect on the Company's reputation, increased regulatory compliance requirements or other potential regulatory restrictions on the Company's business, the potential for criminal prosecution in certain circumstances, enforced suspension of operations or, in extreme cases, withdrawal of authorizations to operate particular businesses and/or other penalties and injunctive relief. Non-compliance may also lead to costs relating to investigations and remediation of affected customers (which may, in some circumstances, exceed the direct costs of regulatory enforcement actions). The above factors could lead to decreased investor confidence in FCL, an adverse impact on its reputation and/or negatively impact on FCL's share price.

Future operating results are subject to a number of uncertainties

Future operating results are subject to a number of uncertainties, including general economic conditions, competitive factors, social trends, and cost controls and other matters which are beyond the control of the company. In addition, company operations could be adversely affected by exchange controls, currency fluctuations, taxation laws, and other laws or policies of the countries in which the Company operates and the effects thereof on foreign trade, investment and taxation, which in turn could affect the Company's performance.

Impact of litigation and other claims

In the normal course, FOCOL is involved in various legal proceedings and other claims relating to the conduct of its business. Although, in the opinion of management, the outcome of current pending claims and other litigation is not expected to have a material adverse effect on the Company's reputation, results of operations, liquidity or financial position, a negative outcome in respect of any such claim or litigation could have such an adverse effect. Moreover, the cost of defending against lawsuits and diversion of management's attention could be significant.

Supervision and Regulation

FOCOL Holdings Limited is a public company in The Bahamas and is regulated by the Securities Commission of The Bahamas and BISX. As such, the Company may incur penalties or sanctions as a result of failure to comply with regulatory requirements prescribed by these bodies.

Competition

The Company is subject to competition in all aspects of its service offerings. The impact of competitive forces may be such that the Company can possibly incur loss of customers and/or market share such that it could have a material negative impact on the Company and its operations and ultimately its profitability. As a result projected results may not materialize or may be materially less than anticipated.

Additional risks are noted in Appendix C under note 25 of the audited financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MD&A) is intended to provide an understanding of the financial condition, results of operation and cash flows of FOCOL Holdings Limited ('FOCOL' or 'the Company') for the year ended September 30, 2023. This MD&A should be read in conjunction with our audited consolidated financial statements and accompanying footnote disclosures. The audited financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and are expressed in Bahamian dollars.

Overview & Business Segments:

FOCOL is a leading energy company in The Bahamas and The Turks & Caicos Islands. The Company operates through its wholly owned subsidiaries. Currently, the Company has three business segments: wholesale, retail, and power generation. The wholesale segment is dedicated to supplying petroleum products. The retail segment focuses on operating several service stations. Power generation supplies generators for the purposes of energy production.

Overall Performance:

Financial Information:

	2023 (12 Months)	2022 (12 Months)	2021 (12 Months)	2020 (14 Months)	2019 (12 Months)
Revenue	$441,688,145	$423,808,309	$289,071,691	$298,218,175	$324,825,849
Net Income	32,620,928	21,362,826	16,533,085	22,989,046	27,964,726
EBITDA	50,692,794	36,156,095	30,540,268	38,344,348	34,390,636
Total Assets	377,161,654	323,797,211	297,093,846	245,841,159	211,614,185
Total Liabilities	161,749,877	125,980,310	105,194,024	55,289,113	26,234,666
Total Equity	215,411,777	197,816,901	191,899,822	190,552,046	185,379,519
Dividends Per Share	0.12	0.12	0.12	0.12	0.12
Earnings Per Share	0.30	0.18	0.13	0.20	0.25

	2023 Actual (Audited)	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget
NET INCOME	**$ 32,620,928**	**$ 34,027,170**	**$ 37,226,487**	**$ 40,833,272**
Depreciation & Amortization	15,287,331	14,500,000	14,935,000	15,383,050
Interest	2,784,535	2,900,000	2,987,000	3,076,610
EBITDA	**$ 50,692,794**	**$ 51,427,170**	**$ 55,148,487**	**$ 59,292,932**

Net income for the year ended September 30, 2023, was $32.6 million compared to $21.4 million in the prior year representing an increase of $11.2 million or 52%. FOCOL's 2023 performance represents a return to the Company's pre-pandemic level of earnings combined with early signs of growth across various business segments. The combination of a rebound in the local economy and early results from new investments initiatives contributes to the steady upward trend in the Company's overall performance.

New investments initiatives resulted in a gradual increase in total assets and liabilities. Investments in fixed assets were made to strengthen the Company's infrastructure in the wholesale and retail business segments. Additional investments were made in power generation assets during the year.

Dividends paid per year remained consistent at twelve (12) cents per share.

Liquidity & Capital Resources

	2023	2022	2021	2020	2019
Balance Sheet					
Cash and Cash Equivalents	31,706,910	$30,900,968	$12,576,180	$23,238,241	$30,781,718
Term Deposits	4,564,775	4,556,898	4,205,526	4,296,631	4,293,073
Bank Overdraft	18,176,408	6,157,152	33,344,461	9,609,792	12,650

Statement of Cash Flows	**2023**	**2022**	**2021**	**2020**	**2019**
Cash from Operating Activities	42,174,340	65,421,766	32,859,456	19,828,836	46,830,459

Cash used to fund the Company's operations is mainly generated from operating activities. The Company maintains high levels of cash to sustain operations and to invest in new business ventures.

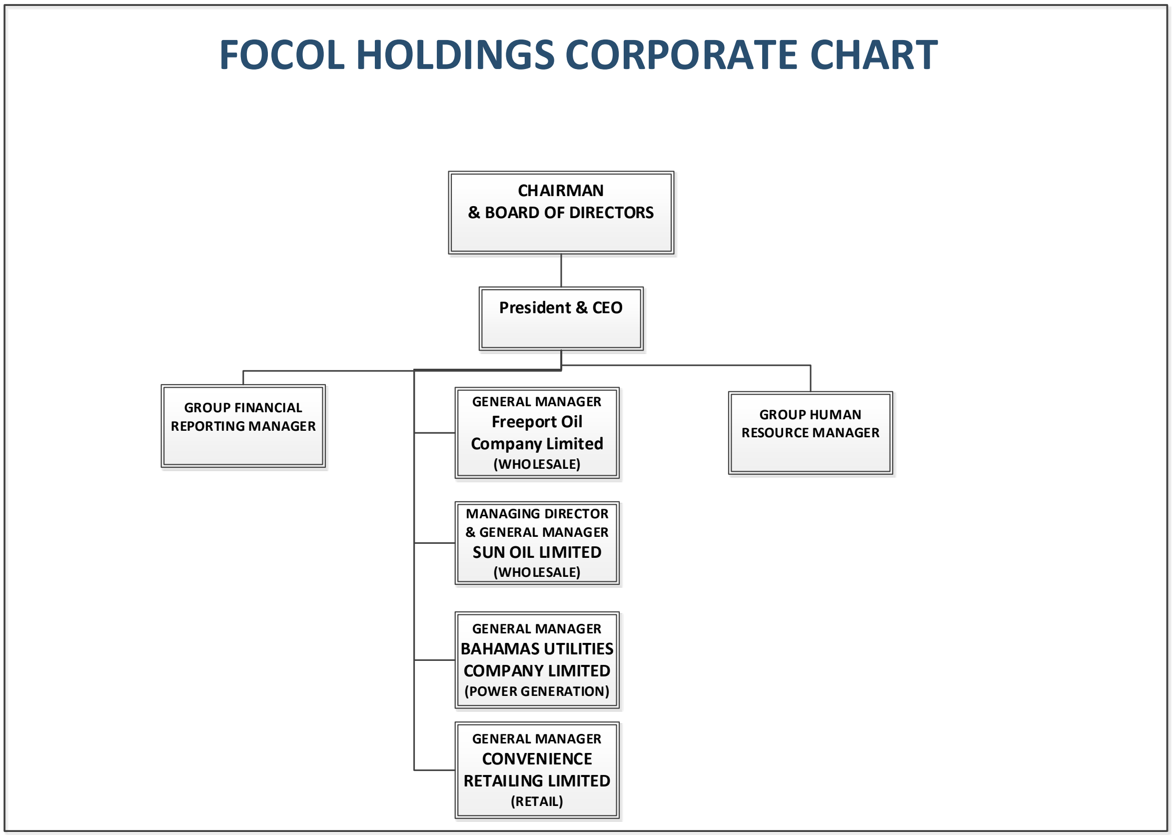
The Company periodically utilizes its overdraft facilities to assist with funding capital projects. At September 30, 2023 the Company had a combined overdraft facility of $25,100,000 (2022: $10,100,000).

2024 Outlook

Management is cognizant of climate change initiatives focused on reducing worldwide carbon emissions. Locally, The Government of The Bahamas implemented mandates to increase the usage of renewable sources of energy to 30% by year 2030. The Company continues to expand into the renewable energy sector by integrating it into our current business model. We are encouraged by the record level of visitor arrivals during 2023. We are also encouraged by the announcement of several major resort development projects throughout The Bahamas and The Turks & Caicos Islands which are expected to further stimulate construction sector growth. Continued growth in the tourism and construction sectors will enhance the Company's future profitability.

As business activity increases, Management remains focused on world class customer service, integrating technology to improve operations and financial reporting, retaining and promoting local employee talent and maximizing shareholder returns.

THE ORGANIZATIONAL STRUCTURE



BOARD OF DIRECTORS AND MANAGEMENT

The Company's Directors are ultimately responsible for supervising the affairs of the Company. There are currently nine Directors on the Company's Board. The day-to-day management of the Company's business is delegated to its officers. The Current Directors of the Company:

Sir Franklyn R. Wilson, KCMG, Chairman

Sir Franklyn Wilson is a graduate of Dalhousie University in Halifax, Nova Scotia. He began his career in public accounting in 1971 as Founder of F.R. Wilson & Co. and continued until 1974 when exiting the partnership of Deloitte & Touche.

In 1972, he was one of the youngest persons to be elected to Parliament. He is the current Chairman of Sunshine Holdings Limited, Arawak Homes Limited, Sunshine Insurance (Agents & Brokers), Royal Star Assurance Ltd, Sunshine Finance Ltd, Jack's Bay Developers Ltd and Sunshine Group of Companies.

Sir Wilson is one of twelve incorporators of The Bahamas Institute of Chartered Accountants, and he served as the Chairman of The Council of the College of The Bahamas, The Young President's Organization, The World President's Organization and Junior Achievement Bahamas. He was honored by Her Majesty the Queen as a Commander of The Distinguished Order of St. Micheal and St. George before being elevated to rank of Knight Commander.

Anthony A. Robinson, Deputy Chairman

Anthony Robinson served 31 years with FOCOL Holdings Limited, retiring as President and CEO. From 1991 until his retirement in December 2021, Mr. Robinson has been directly involved in all aspects of developing the FOCOL Group of Companies.

Prior to joining FOCOL, he held various managerial and supervisory positions with Shell Bahamas Limited, Franklin Chemicals and Syntex Corporation. Mr. Robinson obtained a BSc. in Chemistry and a minor in Economics from Jacksonville University, Florida in 1984.

Since January 2022, Mr. Robinson has served as Deputy Chairman of FOCOL Holdings Limited.

Dexter Daron Adderley, President & CEO

Holds a BSc. Degree in Electrical Engineering since 1995 from the Toronto Metropolitan University (formerly Ryerson University) in Toronto, Canada. In the first 12 years of his career, he excelled in the local operations of a world-renowned multinational petroleum company, where he gained vast knowledge of global standards and industry best practices.

In 2008, he joined Sun Oil Limited as the Operations Manager responsible for the Operations Department in The Bahamas and Turks and Caicos. Under the company's leadership development initiatives, he was promoted to the position of Deputy General Manager of Sun Oil in August 2009. This was followed by a series of promotions to the positions of General Manager in August 2010, Managing Director in October 2012, Executive Vice President & Chief Operating Officer in July 2021, and eventually, in January 2022, to his current position as the President and CEO of FOCOL Holdings Limited.

Mrs. Caryl A.E. Lashley, Corporate Secretary

Mrs. Lashley is a barrister of more than 40 years' standing with experience in Litigation, Family, Corporate, Employment and Trust matters. A Fellow of the Chartered Institute of Arbitrators, she is proficient both as an arbitrator and a mediator. Her watchword is that "Relationships Matter!", and she keenly pursues education in ADR.

Her professional memberships include: the International Federation of Women Lawyers (FIDA); The Society of Trust & Estate Practitioners (STEP); Mediators Beyond Borders International; mediate.com; Mediator Academy; International Bar Association; Bahamas Bar Association, where she served as Secretary from 1992 -1995, and as Chairperson of the Ethics Committee, 2000-2017. She is currently Chairperson of the ADR Committee of the Bahamas Bar Association. A Fellow of the Chartered Institute of Arbitrators since 2012, in 2014 she obtained an advanced certificate in Trust and Estate Mediation. Having been designated by The Bahamas Government to serve on the International Centre for the Settlement of Investment Disputes (ICSID) Panel of Arbitrators and of Conciliators, Mrs. Lashley was re-designated in 2020 to serve for the next six years. Additionally, Mrs. Lashley was invited to participate in ICSID's first Mediation Training in June 2017 at the World Bank in Washington DC. More recently, she undertook Train the Trainer Mediation Training with Ken Cloke in April 2018, and similar training offered by the Chartered Institute of Arbitrators in 2015 and 2020. In addition to her practice, Mrs. Lashley assists with ADR training in various sectors of her community, including the Eugene Dupuch Law School, and more recently, GPPI (Government and Public Policy Institute).

Bishop Neil C. Ellis, Director

Bishop Ellis is the founding pastor of Mount Tabor Church. Bishop Ellis is passionate about the Word of God and its ability to transform lives. During his thirty – six years of pastoral service, Bishop Ellis emerged as one of the leading motivational and inspirational speakers to thousands both locally and internationally. He is known as a pastor to pastors, mentoring and counselling many clergymen, civic, community and governmental leaders. He served in various offices in the Full Gospel Baptist Church Fellowship International for twenty years and in 2013 launched The Global United Fellowship an international body of spiritual leaders, fellowships and congregations united to plan, implement, and execute transformative change.

He is a graduate of the University of The Bahamas (formerly College of The Bahamas). There he served as President of the College of The Bahamas Union of Students (COBUS) and became the first inductee into the college's Hall of Fame. Bishop Ellis is the author of twenty books on spiritual matters and was recognized by Her Majesty, Queen Elizabeth for rendering distinguished services in the Commonwealth. He is the recipient of the 2010 Trumpet Award for Spiritual Enlightenment and is the youngest living inductee in the International Civil Rights Walk of Fame located in Atlanta Georgia.

Deborah S.A Archer, Director

Mrs. Archer serves as President of Grand Bahama based Modalena Ltd, where she has functioned in various capacities over the past fifteen years. The investment company was established in Freeport in the 1970's.

A graduate of Shaw Business College, Toronto, Canada, Mrs. Archer's lengthy career include an engagement as Executive Assistant to the Vice President of the Grand Bahama Group of Companies, and prior to that as Executive Secretary to the Casino Manager at the El Casino. She was recognized as Boss of the year (1990) by the Business and Professional Woman's Club.

A charter member of the Pilot Club of Freeport, serving as President (1979), she was also a charter member of The Pilot Club of Lucaya, serving as President (2002). And was elected to the high office of President of the 10,000 member strong, Pilot International (2008-2009). She is also a member of Alter Guild Pro Cathedral Christ The King Anglican Church; and continue to support the Breakfast Feeding programs at the Lewis Yard Primary School and the Beacon School.

S. Rosel Moxey, Director

Mrs. Moxey is Vice President of Sunshine Holdings Ltd. (SHL), a company established in a pre-Independence Bahamas, and which has evolved into one the largest and most diverse conglomerates in The Bahamas operating in three sectors: real estate development, financial services, and energy. Mrs. Moxey also serves as President of two SHL subsidiaries: Sunshine Finance and Gateway Financial.

Mrs. Moxey worked in The Bahamas and Barbados as a Commercial Banker with the Royal Bank of Canada. In her career as an attorney, she worked both in New York and in The Bahamas at the firm of Higgs & Johnson specializing in commercial law. She earned a law degree from King's College, University of London and a Master's degree in Accounting from the Lubin School of Business at Pace University in New York. Her civic affiliations include the Nassau Chapter of Links, Inc., of which she is an active member and past Chapter Secretary, and the Susan G. Komen Bahamas Race for the Cure Survivor Committee. She is a Fellow Alumna 2011 – 2012 of the IWF Fellows.

Russell Miller, Director

A seasoned hotelier with over 25 years of local and international experience at luxury resorts, Russell Miller is the Executive Vice President of Hotel Operations, Atlantis Paradise Island. In this role, he leads all Hotel Operating Divisions and collaborates closely with Atlantis' senior leadership to execute the hotel's strategic direction. He previously served as Senior Vice President & General Manager of The Cove & The Reef properties.

Miller's extensive experience in hotel operations began when he joined Marriott International as a Restaurant Manager in Newport Beach, California. On his return to The Bahamas, he worked in Food & Beverage at what is now Divi Village Golf & Beach Resort, with subsequent positions at Carnival's Crystal Palace Resort & Casino and the Radisson. He was appointed to the position of General Manager of The Ritz-Carlton, New Orleans in 2009, where he received the Trumpet Award from the National Association of Black Hotel Owners, Operators and Developers (NABHOOD) in 2012.

No stranger to the Atlantis family, Miller served as Senior Vice President and General Manager of the Harborside Resort, Senior Vice President and General Manager for The Residences at Atlantis and the One & Only Ocean Club. A graduate of Cornell University's prestigious School of Hotel Administration, Miller holds a Bachelor of Science degree in Hotel Administration. He is the former President of The Bahamas Hotel & Tourism Association and the Chairman of the Grand Bahama Island Tourism Board.

Walter A. Wells, Director

Mr. Wells joined Caribbean Bottling Company (Bahamas) Limited in 2006 and is the current President & CEO. Caribbean Bottling Company (Bahamas) Ltd. (CBC) is the Coca-Cola bottler and distributor for The Bahamas. With manufacturing and distribution facilities in New Providence, and distribution facilities in Grand Bahama, CBC services the entire Bahamas as well as Turks and Caicos Islands. Prior to this Mr. Wells worked in the commercial banking industry for thirty-five years holding various senior management positions.

He is the current Chairman of Caribco Ltd and its wholly owned subsidiary Caribbean Bottling Company (Bahamas) Ltd. He also serves as a board member for Bahamas Waste Limited and the Sunshine Group of Companies. Mr. Wells is the founding member and recipient of the 2013 Life Board Member Award of the Cancer Society of The Bahamas. He is a former board member of CIBC Bahamas Ltd, FirstCaribbean Intl Bank (Bahamas) Ltd, BISX, Bahamas Financial Services Board, Batelco, Automotive and Industrial Distributors Ltd, Family Guardian Insurance and Nassau Airport Development Ltd.

John F. Bethell, Director

Joined FOCOL's Board of Directors in 2014. He is the current President of Bethell Estates Ltd, a real estate development company. Mr. Bethell is the Chairman of the Board of Trustees of the Governor General Youth Award and a Director of Replay Destinations. He is a Past President of the Bahamas National Trust, a non-profit organization that focuses on conserving and protecting the Bahamian environment.

SHARE CAPITAL

This information should be read in conjunction with the Financial Statements attached at Appendix C and D.

The Company's authorized capital is B$600,000,000, which is divided into Preference Shares and Ordinary Shares as follows:

FOCOL Holdings Ltd. Preference Shares

120,000,000 Preference Shares which are established as follows: (a) 25,000,000 Class A, 15,000,000 Class B, 10,000,000 Class C, and 70,000,000 additional authorized shares, all with a par value of B$0.01 per share, of which 50,000,000 are presently issued and outstanding:

- 25,000,000 Class A, 6.00% (Prime + 1.75%) Variable Rate Callable Perpetual Preference Shares (Class A Preference Shares) (with par value B$0.01 per share). The Class A Preference Shares do not carry voting rights and pay dividends semi-annually. The Class A Preference Shares have no stated maturity date, but the Shares are callable by FOCOL at its option upon 90 days notice; and
- 15,000,000 Class B, 6.00% (Prime + 1.75%) Variable Rate Callable Perpetual Preference Shares (Class B Preference Shares) (with par value B$0.01 per share). The Class B Preference Shares do not carry voting rights and pay dividends semi-annually. The Class B Preference Shares have no stated maturity date, but the Shares are callable by FOCOL at its option upon 90 days notice; and
- 10,000,000 Class C, 6.00% Variable Rate Callable Perpetual Preference Shares (Class C Preference Shares) (with par value B$0.01 per share). The Class C Preference Shares do not carry voting rights and pay dividends semi-annually. The Class C Preference Shares have no stated maturity date, but the Shares are callable by FOCOL at its option upon 90 days notice; and

- 12,000,000 Class D, 6.00% cumulative redeemable Preference Shares (Class D Preference Shares). The Class D Preference Shares carry limited voting rights and pay dividends semi-annually. The Class D Preference Shares mature on June 30, 2030; and
- 16,000,000 Class E, 6.25% cumulative redeemable Preference Shares (Class E Preference Shares). The Class E Preference Shares carry limited voting rights and pay dividends semi-annually. The Class E Preference Shares mature on April 30, 2033.

FOCOL Holdings Ltd. Ordinary Shares

480,000,000 Ordinary Shares with a par value of B$0.0008 each. Ordinary Shares rank pari passu with each other as to capital, dividends and rights upon liquidation and carry one (1) vote per share at all meetings of the Ordinary Shareholders.

As of April 5, 2024, there were 105,219,137 Ordinary Shares outstanding.

Description of the Preference Shares

The Board of Directors has resolved to issue approximately 400,000 Preference Shares, each with a subscription price of B$100.00 and par value of B$100.

These Preference Shares will be unsecured by any assets of the Company and will rank equally with all other existing and future unsubordinated and unsecured debt of the Issuer. The terms governing the Preference Shares, including voting rights, liquidation rights, dividends, redemption, and transferability are discussed below.

Liquidation Rights

In the event of the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company for the purpose of winding up its affairs, holders of Preference Shares in the company are entitled to divide the proceeds of any remaining assets only after all of the following parties have been paid out: secured creditors, unsecured creditors and bondholders.

Dividends

The frequency of dividend declaration is at the sole discretion of the Issuer's Directors. Notwithstanding the foregoing, once declared, the Preference Shares stated dividend will be distributed via semi-annual cash payments to the registered holders of Preference Shares on the date of dividend declaration announced by the Directors. The first dividend payment is scheduled for October 2024 and semiannually thereafter.

GENERAL INFORMATION

Currency

The legal currency is Bahamian Dollars, the currency of the Commonwealth of The Bahamas.

Litigation

Other than routine litigation incidental to the normal course of the Company's business operations, management is of the opinion based on currently available information that current, pending or threatened legal proceedings or claims to which the Company is a party, will not adversely affect the Company's financial position.

Transferability

The Preference Shares are subject to resale restrictions on the registered holder thereof or on their duly authorized agent as set out in Regulation 117 of the Securities Industry Regulations, 2012 including a requirement that the Preference Shares be held for a minimum period of six months prior to any transfer. The Registrar and Transfer Agent for the time being is Colina Financial Advisors Limited.

Book entry record

Evidence of ownership of the Preference Shares offered shall be by way of book-entry Preference Share ownership record. Therefore, no physical share certificates will be issued. The ownership rights evidenced by book entry records are the same as would be the case were they evidenced by share certificates. The Registrar and Transfer Agent will confirm allocations within 21 days of the Closing Date. Fractional shares are not allowed.

Employee Relations

The Company employs approximately 300 persons and employee relations are considered to be good. There is no union representation for the employees. Employees are provided with benefits including life, health, accident and disability insurance, and a contributory defined contribution pension plan.

Insurance Coverage

The Company reviews insurance coverage at least annually and is of the opinion that it maintains adequate insurance coverage for its business operations and associated business risks.

Governing Law

The Offering of Preference Shares is governed by and shall be construed in accordance with the laws in effect from time to time in the Commonwealth of The Bahamas.

Validity and rejection of applications

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription or application for Preference Shares will be determined by the Company in its sole discretion, whose determination shall be final and binding. All subscriptions are irrevocable. The Company reserves the absolute right to reject any subscription, application, or form for whatever reason it deems appropriate. Rejections are sometimes the result of applications not being in proper form, not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney or by evidence of satisfactory authority where required, or if the acceptance thereof or the allotment or issue of Preference Shares would, in the opinion of the Company, be unlawful.

Posting

All documents, bankers' drafts and cheques posted to or by the persons entitled thereto (or their agents, as appropriate) will be posted at their risk. The Company accepts no liability for the failure of any documents to reach any person in a timely manner or at all.

Signatures

All forms must be signed by the person(s) named on the form. If a form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any other person acting in a fiduciary capacity, the form should be accompanied by evidence of authority satisfactory to the Company and/or the Escrow Agent.

Market for Ordinary and Preference Shares

The outstanding Ordinary Shares of the Company are listed with BISX, under the trade symbol "FCL". Further information on the listed shares is available on the BISX website www.bisxbahamas.com.

The Directors do not intend to seek a listing of these Preference Shares on BISX. Potential investors should be aware that they may not easily liquidate their holdings.

Evidence of Ownership

Evidence of ownership will be in the form of "Book-Stock". No certificates will be issued.

Tax Information

This Memorandum does not address any tax considerations that may be relevant to the prospective investors, who are strongly urged to consult their own tax advisors as to the specific tax consequences of purchasing, owning and disposing of the Preference Shares.

Credit Rating

No credit rating from an approved rating organization is applicable to this Preference Share Offering and none has been received.

Promoter

No promoter has been involved in the preparation of this Preference Share Offering and none is involved with FOCOL.

Optioned Securities

No capital of FOCOL is under option, or agreed conditionally or unconditionally to be put under option.

Interests of Experts

No experts have registered or beneficial interests, direct or indirect, in any securities or other property of FOCOL.

Statutory Rights of Withdrawal and Rescission

The Securities Industry Act, 2011, as amended, and the regulations made under the Act, provide a purchaser with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission and damages if the prospectus or any amendment contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation. The purchaser should refer to the Securities Industry Act, 2011, as amended, and the regulations made under that Act, for the particulars of these rights or consult with a legal adviser.

Other Material Facts

There are no other material facts about the preference share offering that are not disclosed under any other items and are necessary in order for the memorandum to contain full, true and plain disclosures of all material information relating to the preference share offering, and not to make any misrepresentation likely to affect the value or market price of the securities.

REPRESENTATIONS AND WARRANTIES

Each subscriber for the Preference Shares:

1. Warrants and represents that any money laundering laws or regulations applicable to such subscriber or the Company have not been and will not be violated by virtue of any action taken by the subscriber in relation to this Offering;
2. Warrants and represents that the accompanying payment, if any, will be honored on first presentation;
3. Agrees that failure to provide valid payment along with their application renders such application and their entitlement thereto null and void;
4. Warrants and represents that any subscription has been properly authorized and all necessary action has been taken by the subscriber;
5. Warrants and represents that the subscription and any action taken by the subscriber in connection with the Offering does not violate any laws or regulations relevant to such subscriber or the Company;
6. Agrees that the laws of The Bahamas apply to the Offering and submits to the jurisdiction of the courts of The Bahamas;
7. Agrees that no receipts for monies submitted will be issued;
8. Agrees that no interest will be paid on refunds of monies submitted; and
9. Warrants that he/she/it qualifies as an Eligible Investor as defined herein.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the offices of Colina Financial Advisors Ltd., at the address below, during normal business hours (9:00 A.M. to 5:00 P.M.) from Monday to Friday (except public holidays).

- Memorandum and Articles of Association
- Certificate of Incorporation
- Certificate of Good Standing
- Board Resolution approving and granting consent to this Offering
- Audited Consolidated Financial Statements for the year ended September 30, 2023
- Unaudited Financial Statements for the period ended December 31, 2023

ADVISORS TO THE OFFERING MEMORANDUM

Financial Advisor, Placement Agent, Escrow Agent & Paying/Registrar and Transfer Agent
Colina Financial Advisors Limited
3rd Floor, 308 East Bay Street,
P.O. Box CB-12407 Tel: (242) 502-7010
Nassau, The Bahamas Fax: (242) 393-4619

Legal Counsel to the Company
Dupuch & Turnquest
#82 Dowdeswell Street
P.O. Box N-8181 Tel: (242) 393-3226
Nassau, The Bahamas Fax: (242) 393-6807

Colina Financial Advisors Limited has agreed to act as Financial Advisor, Placement Agent and Escrow Agent for the Preference Share Offering and does not represent the prospective investors in the Preference Share Offering and no independent advisor has been retained to represent such investors. However, in providing such services Colina Financial Advisors Limited does not take any responsibility for the financial soundness of FOCOL Holdings Ltd. or for the correctness of any statements made or opinions expressed in this regard. Colina Financial Advisors Limited has given and not withdrawn its consent to the issuing of this Memorandum with the inclusion herein of its name in the form and context in which it is included.

Dupuch & Turnquest has been retained as counsel and attorney and registered office of the Company. The firm does not represent the investing shareholders in the Company and no independent counsel has been retained to represent such shareholders. Dupuch & Turnquest has given and not withdrawn its consent to the issue of this Private Placement Offering Memorandum with the inclusion herein of its name as counsel & attorney and registered office to the offering in the form and context in which it is included.

AUDITORS

Deloitte & Touche, Chartered Accountants, are the appointed Auditors of the Company. The firm has not been asked to audit or otherwise provide any form of assurance on the other information presented herein, in particular the interim financial information, financial forecasts and financial projections presented herein.

Deloitte & Touche
Chartered Accountants
2nd Terrace West, Centreville
P.O. Box N-7120 Tel: (242) 302-4800
Nassau, The Bahamas Fax: (242) 322-3101

CORPORATE OFFICE OF THE COMPANY

FOCOL Holdings Limited
Queens Highway e-mail: info@focol.com
P. O. Box F-42458 Tel: (242) 352-8131
Freeport, Grand Bahama Fax: (242) 352-2986

ELIGIBLE INVESTORS

Eligible Investors for Series F Preference Shares include Bahamian citizens, permanent residents with an unrestricted right to work in The Bahamas, permanent residents with the restricted right to work in The Bahamas, temporary residents who hold valid work permits to work in The Bahamas, trusts designated resident for exchange control purposes and Bahamian companies wholly owned by any of these persons. Other interested investors may subscribe for the Series F only upon prior approval from The Central Bank of The Bahamas and should contact the Placement Agent for further details.

No minors are eligible as investors.

This offer is made only to the following eligible investors who are also accredited investors based on the definitions below:

If an individual:

- The applicant is 18 years of age or older; and
- The applicant is a citizen of The Bahamas or holds a permanent residency permit with the unrestricted right to work in The Bahamas; or holds a permanent residency permit which does not carry the unrestricted right to work or a work permit granting the right to work in The Bahamas; or
- The applicant is granted approval as an investor in the offering by the Central Bank of The Bahamas; and
- The applicant is not applying for the Preference Shares as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

If a corporation:

- The applicant is incorporated under the laws of The Commonwealth of The Bahamas and is resident for exchange control purposes; and

- The applicant is wholly owned by resident individuals or by individuals granted approval as investors in the offering by the Central Bank of The Bahamas via the applicant; and
- All necessary corporate action has been taken to authorize the purchase of the Preference Shares; and
- The applicant is not applying for the Preference Shares as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

If a trust or pension fund:

The Settlor or the Beneficiaries of the trust or fund are Residents of The Bahamas, Bahamian resident companies owned by them and/or any other eligible trust or pension fund which is granted approval as an investor in the Issuer by The Central Bank of The Bahamas; and Trustees of the trust and managers of the fund represent that they have the necessary power and all requisite action has been taken to enable them to effect the purchase of the Preference Shares; and The applicant is not applying for the Preference Shares as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor

ACCREDITED INVESTORS

"Accredited Investors" carries the meaning set out in Regulation 109 of the Securities Industry Regulations, 2012. This Offering is made to Accredited Investors only and will be made in accordance with Regulation 109 of the Securities Industry Regulations, 2012.

An "Accredited Investor" means any person who comes within any of the following categories, or whom the Issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person -

a) Any bank licensed under the Banks and Trust Companies Regulation Act (Ch.316) or licensed and operating outside of The Bahamas, whether acting in its individual or fiduciary capacity;
b) Any registered firm under the Securities Industry Act 2011 or company registered to conduct securities business and operating outside of The Bahamas, acting for its own account;
c) Any insurance company registered under the Insurance Act (Ch. 347) or licensed and operating outside of The Bahamas;
d) Any investment fund licensed or registered under the Investment Funds Act (Ch. 369A) or regulated and operating outside of The Bahamas
e) Any employee benefit plan if the investment decision is made by a plan fiduciary, which is either a bank or trust company licensed under the Banks and Trust Companies Regulation Act (Ch. 316), an insurance company registered under the Insurance Act (Ch. 347), or a registered firm under the Securities Industry Act 2011 or if the employee benefit plan has total assets in excess of B$5,000,000;
f) Any director, senior officer or general partner of the issuer of the securities being offered or sold, or any director, senior officer or general partner of a general partner of that issuer;
g) Any individual whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds B$1,000,000;
h) Any individual who had an individual income in excess of B$200,000 in each of the two (2) most recent years or joint income with that person's spouse in excess of B$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
i) Any person, other than an individual, with total assets in excess of B$5,000,000, not formed for the specific purpose of acquiring the securities offered;
j) Any entity in which all of the equity owners are Accredited Investors;
k) The Government of The Bahamas or any public authority established in The Bahamas;
l) The government of any foreign jurisdiction, or any agency of that government;

m) Any person purchasing on behalf of an account that is managed on a fully discretionary basis by that person, if that person is registered or authorized to carry on business as an adviser managing securities on a discretionary basis under the laws of the Bahamas or a foreign jurisdiction;
n) Any person residing outside of The Bahamas who qualifies as an Accredited Investor, however defined, or has similar status, under the securities legislation of that person's country of residence, or who meets the criteria specified in paragraph (g) or (h) and is otherwise lawfully entitled to purchase the securities under the securities laws applicable to such purchase; or
o) Any person that is recognized or designated by the Securities Commission of The Bahamas as an Accredited Investor.

ANTI MONEY LAUNDERING PROCEDURES

Measures aimed towards the prevention of money laundering and applicable "know your customer" legislation require that an applicant verify his/her identity to Colina Financial Advisors Limited, ("the Placement Agent"). This is in pursuance of Bahamian legislation, mainly, the Proceeds of Crime Act, 2000 ("PCA"), the Financial Transactions Reporting Act 2000, as amended ("FTRA") and the Financial Transactions Reporting Regulations 2000 as amended ("FTRAR"). Pursuant to the FTRA/FTRAR financial institutions are obliged to verify the identity of existing and prospective clients.

In addition, the Placement Agent may request further information and documents before processing the application. Failure by the applicant to supply such information as requested by the Placement Agent prior to the Closing Date of the Offer will render such application void and result in the return of the funds to the applicant which accompanied such application.

Pursuant to the FTRAR, an individual may be required to produce a copy of the first four pages of his/her passport (and additional pages, if relevant) or national identity card, and evidence of his/her address such as a copy of a recent utility bill or bank statement.

Each partner or beneficial owner of an unincorporated business must complete as individuals, and supply the documents requested for individuals. Additionally, a copy of the partnership agreement or other agreement establishing the unincorporated business and authorized signatory listing will be required.

Corporate applicants may be required to submit a certified copy of the Certificate of Incorporation (and any certificate of change of name), certified copy of Memorandum and Articles of Association, Certificate of Good Standing from the Registrar of Companies, the authorized signatory listing and the names and addresses of all officers, directors and beneficial owners.

Depending on the circumstances of each application, a detailed verification may not be required if:

1. The applicant makes the payment from an account held in the applicant's name at a recognized financial institution; or
2. The application is made through an eligible introducer as per the FTRA.

It is further acknowledged that the Placement Agent shall be held harmless and indemnified by the applicant against any loss arising as a result of a failure to process the application if such documentation is required by the Placement Agent and has not been provided by the applicant to the Placement Agent's satisfaction.

SUBSCRIPTION PROCEDURES

The subscription period for the Offering shall begin on Monday, April 15th, 2024, at 9:00 A.M. and will close at 5:00 P.M. on Friday, April 26th, 2024. The Directors reserve the right to extend or cancel this Offering at their discretion.

Eligible Investors, who are Accredited Investors, as defined on page 31 should complete the detachable subscription form found at the end of this Memorandum and deliver it, together with payment, to:

Colina Financial Advisors Limited
P.O. Box CB-12407
3rd Floor, 308 East Bay Street
Nassau, The Bahamas
Phone: (242) 502-7010
Email: focol@cfal.com

The only acceptable form of payment shall be by wire transfer to Colina Financial Advisors Limited. Cash, cheques, postal orders and direct debit payments will not be accepted.

CONDITIONS OF APPLICATION

Applications are subject to the following terms and conditions:

Terms and Conditions

1. The Directors reserve the right to reject, in whole or in part, any application.
2. Only applications from Eligible Investors as described on page 31will be accepted.
3. Applications must be completed in every respect
4. The number of Preference Shares applied for must be paid for in full by wire transfer at the time when the application is made.
5. For individual investors, a copy of the first four pages of your passport must accompany your application.

Evidence of Preference Share Ownership

Eligible Investors will be issued a book-entry record by CFAL, the Registrar & Transfer Agent for the Preference Shares. The Registrar and Transfer Agent will send investors a confirmation of their holdings within 21 working days of the Closing Date or Issue Date, whichever is the later. This confirmation should be kept in a safe place (as if it were a share certificate) but it will relieve the Investor of the risk, expense and concerns over the safekeeping of a certificate.

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APPENDIX A

FOCOL HOLDINGS LIMITED
APPLICATION FORM FOR SERIES F PREFERENCE SHARES

FOR USE BY INDIVIDUAL(S)

Applications for a minimum of 500 Shares will be accepted from 9:00 A.M. on Monday, 15 April 2024 until 5:00 P.M. on Friday, 26 April 2024 unless extended. Proof of full payment for the Shares subscribed must accompany this application. **CASH & CHEQUES WILL NOT BE ACCEPTED.**

Number of Preference Shares Requested: ________________________
Payment Made/Enclosed: B$______________________
(at B$100.00 per Preference Share for a minimum of 500 Preference Shares and in multiples of 100 Preference Shares thereafter)

Surname:__________________________________ First Name(s):______________________________________
☐ Bahamian Citizen or ☐ Permanent resident with unrestricted right to work in The Bahamas
House Number and Street:____
City:________________________ Country:_________________________ P.O. Box:______________________
Date of Birth:___________________________ E-Mail:____
Telephone No.:______________________ (M) ______________________ (H) _______________________ (W)
Employment: ☐ Self-Employed ☐ Retired ☐ Employed
Occupation:_______________________________ Employer:____
If self-employed, Name & Nature of Business:____
Nationality:__________________ NIB Number:__________________ Passport Number:__________________

if applicable, Co-Owner:

Surname:__________________________________ First Name(s):______________________________________
☐ Bahamian Citizen or ☐ Permanent resident with unrestricted right to work in The Bahamas
House Number and Street:____
City:________________________ Country:_________________________ P.O. Box:______________________
Date of Birth:___________________________ E-Mail:____
Telephone No.:______________________ (M) ______________________ (H) _______________________ (W)
Employment: ☐ Self-Employed ☐ Retired ☐ Employed
Occupation:_______________________________ Employer:____
If self-employed, Name & Nature of Business:____
Nationality:__________________ NIB Number:__________________ Passport Number:__________________

If the application includes a Co-Owner, shares will be registered as Joint tenants with rights of survivorship.

If Shares are held on Trust – provide details of each ultimate beneficial owner (add additional sheets as necessary):

Indicate Status of the Beneficiary Designation: ☐ Revocable or ☐ Irrevocable
Primary Beneficiary ☐ Individuals ☐ Estate
Name of Beneficiary:____ %_____________
Relationship to Investor:____ Date of Birth:__________________

Please note that all dividend payments will be made electronically to the bank account below:

Account Type: ☐ Checking or ☐ Savings

Bank Name:______________________________ Branch:______________________

Bank Address:____________________________ Branch Code:_________________

Name on Account:_________________________ Bank Account Number:__________

Address on Account:____

Declaration: I/We certify, that this Source of Funds Statement represents my true source of funds status as of this date, and my/our contribution to the account referenced. I/We further declare that the proceeds declared are derived from legitimate sources and that the source of this transaction is:

☐ Savings and Investments ☐ Salary ☐ Business Income ☐ Rental Income

☐ Sale of Property ☐ Gift ☐ Inheritance ☐ Other

Declaration

The Subscriber(s), by signing this application, acknowledge(s) receipt of the Memorandum dated 11 April 2024 and make(s) the declarations as indicated on the continuing page of this application.

______________________________ ______________________________

Signature Signature of Joint Subscriber/Co-owner (if applicable)

The Subscriber(s), by signing this Application Form make(s) the following declarations:

1. the Subscriber is a natural person; and
2. Subscriber is 18 years of age or older; and
3. the Subscriber is a citizen of The Bahamas or a permanent resident with an unrestricted right to work; and
4. the Subscriber is not a U.S Person; and
5. the Subscriber is not applying for the Shares as nominee for any other person that is not a Bahamian citizen or a permanent resident with the unrestricted right to work.

The Subscriber(s), by signing this Application Form:

1. agrees to the Terms and Conditions outlined in the Memorandum;
2. makes the Representations and Warranties in the Memorandum; and
3. agrees this is legal and binding agreement governed by the laws of The Bahamas.

The completed application and remittance must be received by 5:00 P.M., 26 April 2024, at the address below:

COLINA FINANCIAL ADVISORS LTD
3rd Floor, 308 East Bay Street
P.O. Box CB-12407 Nassau, The Bahamas
Phone: (242) 502-7010 | Email: focol@cfal.com

Beneficiary Bank: CIBC FirstCaribbean International Bank
Branch Code: 9706 - Main Branch, Shirley Street
Account Name: Colina Financial Advisors Ltd. (CFAL)
Account Number: 201698297
Reference: Applicant Name + “FCL Subscription”

Enclose the following:

1. First 4 pages of passport
2. Copy of NIB card or driver’s license
3. Proof of address (Utility Bill, Bank Statement or Voters Card)

APPENDIX B

FOCOL HOLDINGS LIMITED
APPLICATION FORM FOR SERIES F PREFERENCE SHARES

FOR USE BY A BODY CORPORATE, TRUST OR FUND

Applications for a minimum of 500 Shares will be accepted from 9:00 A.M. on Monday, 15 April 2024 until 5:00 P.M. on Friday, 26 April 2024 unless extended. Proof of full payment for the Shares subscribed must accompany this application. **CASH & CHEQUES WILL NOT BE ACCEPTED.**

Number of Preference Shares Requested: ________________________
Payment Made/Enclosed: B$______________________
(at B$100.00 per Preference Share for a minimum of 500 Preference Shares and in multiples of 100 Preference Shares thereafter)

Entity Name:____________________________________ Contact Person:______________________________
Registered Address:____ City:__________________________
Country:________________________ P.O. Box:_____________________ Telephone:____________________
Location of Principal Place of Business:____
Nature of Business:____
Contact Email Address:____

Please note that all dividend payments will be made electronically to the bank account below:

Account Type: ☐ Checking or ☐ Savings
Bank Name:____ Branch:___________________________
Bank Address:____ Branch Code:______________________
Name on Account:___________________________________ Bank Account Number:_____________________
Address on Account:____

Declaration: I/We certify, that this Source of Funds Statement represents my true source of funds status as of this date, and my/our contribution to the account referenced. I/We further declare that the proceeds declared are derived from legitimate sources and that the source of this transaction is:

☐ Savings and Investments	☐ Salary	☐ Business Income	☐ Rental Income
☐ Sale of Property	☐ Gift	☐ Inheritance	☐ Other

Declaration

The Subscriber(s), by signing this application, acknowledge(s) receipt of the Memorandum dated 11 April 2024 and make(s) the declarations as indicated on the continuing page of this application.

________________________________	__________________________	__________________
Signature of Authorized Signatory	Name	Date
________________________________	__________________________	__________________
Signature of Joint Authorized Signatory	Name	Date

The Subscriber(s), by signing the Application Form on the previous page, make(s) the following declarations:

If a Corporation:

1. the Subscriber is established under the laws of The Bahamas and is resident for exchange control purposes;
2. the Subscriber is wholly owned by individuals who are not U. S. Persons and who are citizens of The Bahamas or permanent residents with the unrestricted right to work; and
3. all necessary corporate action has been taken to authorize the purchase of the Preference Shares; and
4. the applicant is not applying for the Preference Shares as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

If a Trust or Pension Fund:

1. beneficiaries of the trust or fund are not U. S. Persons and are citizens The Bahamas or permanent residents with the unrestricted right to work; and
2. the Subscriber is resident for exchange control purposes;
3. the Trustees of the trust and managers of the Pension Fund represent that they have the necessary power and all requisite actions have been taken to enable them to effect the purchase of the Shares; and
4. The Subscriber is not applying for the Preference Shares as nominee for any other person, corporation, trust, or fund that would not be an Eligible Investor.

The Subscriber(s), by signing this Application Form:
1. agrees to the Terms and Conditions outlined in the Memorandum;
2. makes the Representations and Warranties in the Memorandum; and
3. agrees this is legal and binding agreement governed by the laws of The Bahamas.

The completed application and remittance must be received by 5:00 P.M., 26 April 2024, at the address below:

COLINA FINANCIAL ADVISORS LTD
3rd Floor, 308 East Bay Street
P.O. Box CB-12407 Nassau, The Bahamas
Phone: (242) 502-7010 | Email: focol@cfal.com

Beneficiary Bank: CIBC FirstCaribbean International Bank
Branch Code: 9706 - Main Branch, Shirley Street
Account Name: Colina Financial Advisors Ltd. (CFAL)
Account Number: 201698297
Reference: Applicant Name + “FCL Subscription”

Enclose the following:
1. Certificate of Good Standing
2. Certified or Notarized copy of the entity’s formation document (Certificate of Incorporation, Memorandum & Articles of Association, trust agreement, etc.)
3. Certified or Notarized copy of list of authorized signatories
4. Register of Listing of Directors
5. Verification of identification for each Director (Certified or Notarized copy of Passport)
6. Proof of address for each Director (Certified or Notarized copy of utility bill, bank statement or voters card)

APPENDIX C

FOCOL HOLDINGS LIMITED

Consolidated Financial Statements
For The Year Ended September 30, 2023
And Independent Auditors' Report

Deloitte.

FOCOL HOLDINGS LIMITED

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Deloitte.

Deloitte & Touche
Chartered Accountants
and Management Consultants
2nd Terrace, Centreville,
P.O. Box N-7120
Nassau, Bahamas

Tel: +1 (242) 302 4800
Fax: +1 (242) 322 3101

INDEPENDENT AUDITORS' REPORT

To the Shareholders of FOCOL Holdings Limited:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of FOCOL Holdings Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at September 30, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Summary of the Key Audit Matters	How the scope of our audit responded to the Key Audit Matters
Recoverable amounts of goodwill	At September 30, 2023, the Group had recorded Goodwill of $10,858,568 (refer to Note 12 to the consolidated financial statements). The valuation of goodwill is based on management's estimate about the value-in-use calculations of the cash generating units. There are number of underlying assumptions used to determine the value-in-use, including the long-term growth and discount rate applied on net cash-flows. Estimated value-in-use may vary significantly especially for LPG Operations when the above-mentioned assumptions are changed and the changes in these individual assumptions may result in an impairment of goodwill.	We obtained an understanding of the Group's impairment process and methodology. We tested the design and implementation of controls around the preparation of the impairment model including key assumptions. We engaged specialists to assist with the assessment of the methodology, model inputs, discount rate and long-term growth rate. Short term growth rate and projection over the discrete period were scrutinized for reasonableness by performing a look back and retrospective analysis using past data. We further obtained an understanding for assumptions to ensure that they correlated to past data. We assessed any impacts of changes identified on the impairment model and performed sensitivity analysis to confirm the impact of these changes. We also assessed the sufficiency and appropriateness of the disclosures given in respect of goodwill and its sensitivity.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined the matter of most significance in the audit of the consolidated financial statements of the current period and it is therefore, the key audit matter. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement Partner on the audit resulting in this independent auditors' report is Talia Albury.

Deloitte & Touche

Nassau, Bahamas
January 31, 2024

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023
(Expressed in Bahamian dollars)

	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash	$ 31,706,910	$ 30,900,968
Term deposits (Note 5)	4,564,775	4,556,898
Accounts receivable, net (Notes 7 and 24)	48,873,797	30,765,752
Inventories (Note 6)	24,619,451	28,708,117
Prepaid expenses and sundry assets (Note 9)	4,398,535	2,804,129
Total current assets	114,163,468	97,735,864
NON-CURRENT ASSETS:		
Notes receivable, net (Note 8)	2,038,351	1,429,014
Other long-term receivables (Note 8)	9,436,301	10,554,927
Property, plant, equipment and investment property, net (Note 10)	198,999,103	160,368,519
Right-of-use assets, net (Notes 11 and 24)	17,667,116	21,536,310
Goodwill and intangible assets (Note 12)	12,125,060	12,203,004
Investment in associate (Note 14)	22,732,255	19,887,382
Due from associate (Note 24)	-	82,191
Total non-current assets	262,998,186	226,061,347
TOTAL ASSETS	$ 377,161,654	$ 323,797,211

(Continued)

See notes to consolidated financial statements.

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

(Expressed in Bahamian dollars)

	2023	2022
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Bank overdraft (Note 15)	$ 18,176,408	$ 6,157,152
Accounts payable and accrued liabilities (Notes 16 and 24)	64,934,296	52,206,556
Dividends payable (Note 24)	2,004,342	2,004,342
Current portion of lease liabilities (Notes 18 and 24)	4,953,751	3,534,963
Current portion of long-term debt (Note 17)	2,135,803	2,215,696
Total current liabilities	92,204,600	66,118,709
NON-CURRENT LIABILITIES:		
Due to associate (Note 24)	3,424,362	1,665,123
Lease liabilities (Notes 11, 18 and 24)	12,887,120	18,582,968
Long-term debt (Note 17)	25,651,638	27,780,758
Preference shares (Note 19)	27,582,157	11,832,752
Total non-current liabilities	69,545,277	59,861,601
Total liabilities	161,749,877	125,980,310
EQUITY:		
Share capital (Note 20)	83,563	83,563
Preference shares (Note 20)	500,000	500,000
Contributed capital (Note 20)	49,500,000	49,500,000
Retained earnings	165,328,214	147,733,338
Total equity	215,411,777	197,816,901
TOTAL LIABILITIES AND EQUITY	$ 377,161,654	$ 323,797,211

(Concluded)

See notes to consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on January 30, 2024, and are signed on its behalf by:

Director

Director

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED SEPTEMBER 30, 2023
(Expressed in Bahamian dollars)

	2023	2022
REVENUE	$ 441,688,145	$ 423,808,309
COST OF SALES (Notes 24 and 31)	(339,021,026)	(344,416,718)
Gross profit	102,667,119	79,391,591
Equity income (Notes 14 and 24)	2,844,873	1,761,714
Other income	6,503	6,159
Marketing, administrative and general expenses (Notes 21, 23, 24 and 31)	(53,718,606)	(44,044,191)
Depreciation and amortization expense (Note 13)	(15,287,331)	(12,002,398)
Finance costs (Note 11)	(2,784,535)	(2,790,871)
Dividends on preferred shares (Note 19)	(1,107,095)	(959,178)
NET PROFIT AND COMPREHENSIVE INCOME FOR THE YEAR	$ 32,620,928	$ 21,362,826
Basic and diluted earnings per share (Note 22)	$ 0.30	$ 0.18

See notes to consolidated financial statements.

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED SEPTEMBER 30, 2023
(Expressed in Bahamian dollars)

	Share Capital	Preference Shares	Contributed Capital	Retained Earnings	Total
Balance at September 30, 2021	$ 83,647	$ 500,000	$ 49,500,000	$ 141,816,175	$ 191,899,822
Total comprehensive income	-	-	-	21,362,826	21,362,826
Common shares purchased and cancelled (Note 20)	(84)	-	-	(409,161)	(409,245)
Common share dividends: $0.12 per share (Note 20)	-	-	-	(12,036,502)	(12,036,502)
Preference share dividends (Note 19)	-	-	-	(3,000,000)	(3,000,000)
Balance at September 30, 2022	83,563	500,000	49,500,000	147,733,338	197,816,901
Total comprehensive income	-	-	-	32,620,928	32,620,928
Common share dividends: $0.12 per share (Note 20)	-	-	-	(12,026,052)	(12,026,052)
Preference share dividends (Note 20)	-	-	-	(3,000,000)	(3,000,000)
Balance at September 30, 2023	$ 83,563	$ 500,000	$ 49,500,000	$ 165,328,214	$ 215,411,777

See notes to consolidated financial statements.

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023
(Expressed in Bahamian dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	$ 32,620,928	$ 21,362,826
Adjustments for:		
Depreciation and amortization expense (Note 13)	15,287,331	12,002,398
Equity income from associate (Note 14)	(2,844,873)	(1,761,714)
(Gain) loss on disposals of property, plant and equipment, net	(3,001)	48,202
Income from operations before working capital changes	45,060,385	31,651,712
(Increase) decrease in accounts receivable, net	(18,108,045)	11,134,443
(Increase) decrease in prepaid expenses and sundry assets	(1,594,406)	641,033
Decrease (increase) in inventories	4,088,666	(5,802,295)
Increase in accounts payable and accrued liabilities	12,727,740	27,796,873
Net cash from operating activities	42,174,340	65,421,766
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in term deposits	(7,877)	(351,372)
(Increase) decrease in notes receivable	(609,337)	101,926
Decrease (increase) in other long-term receivables	1,118,626	(3,116,927)
Proceeds from disposal of property, plant, equipment and investment property	7,140	7,503
Purchase of property, plant, equipment and investment property (Note 10)	(48,165,120)	(19,592,528)
Purchase of intangible assets (Note 12)	(48,367)	(46,358)
Decrease (increase) in due from associate	82,191	(23,214)
Increase (decrease) in due to associate	1,759,239	(1,755,108)
Net cash used in investing activities	(45,863,505)	(24,776,078)

(Continued)

See notes to consolidated financial statements.

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023
(Expressed in Bahamian dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES:		
Conversion of bank overdraft to long-term debt	-	27,150,000
Proceeds from preference share issuance	15,732,562	-
Repayment of long-term debt	(2,209,013)	(1,818,763)
Repayment of lease liabilities	(6,021,646)	(5,019,081)
Repurchase of ordinary shares (Note 20)	-	(409,245)
Common share dividends paid	(12,026,052)	(12,036,502)
Preference share dividends paid	(3,000,000)	(3,000,000)
Net cash (used in) from financing activities	(7,524,149)	4,866,409
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(11,213,314)	45,512,097
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	24,743,816	(20,768,281)
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 13,530,502	$ 24,743,816
CASH AND CASH EQUIVALENTS IS COMPRISED OF THE FOLLOWING:		
Cash	$ 31,706,910	$ 30,900,968
Bank overdraft	(18,176,408)	(6,157,152)
	$ 13,530,502	$ 24,743,816
SUPPLEMENTAL INFORMATION:		
Interest paid on bank overdraft and loans	$ 1,808,763	$ 1,716,575
Interest received	$ 6,503	$ 6,160
NON-CASH TRANSACTION:		
Transfer of bank overdraft to long-term debt	$ -	$ 27,150,000
Change in lease liability	$ 1,744,586	$ 1,607,480

(Concluded)

See notes to consolidated financial statements.

1. INCORPORATION AND ACTIVITY

FOCOL Holdings Limited is incorporated under the laws of The Commonwealth of The Bahamas. The consolidated financial statements for the year ended September 30, 2023 comprise FOCOL Holdings Limited and its subsidiaries (together referred to as "the Group"). The Group operates through its wholly-owned subsidiaries and investment in associate as follows:

- Freeport Oil Company Limited ("FOCOL"), an exclusive supplier of petroleum products in Freeport, Grand Bahama;
- Grand Sun Investments Limited ("Grand Sun"), an operator of several service stations in the Freeport, Grand Bahama area;
- Grand Bahama Terminals Limited, an operator of storage facilities in Lewis Yard, Grand Bahama;
- GAL Terminal Limited, an operator of service stations in Eight Mile Rock and Lewis Yard, Grand Bahama;
- Convenience Retailing Limited, a land-owning entity and an operator of several service stations in New Providence;
- Sun Services Limited; a former land-owning entity;
- O.R. Services Limited; a former operator of several service stations in New Providence;
- Freeport Oil Holdings Investments Limited ("FOHIL") and its wholly-owned subsidiaries, Sun Oil Limited ("Sun Oil"), a wholesaler of fuel and related products operating in The Bahamas, Sun Oil Turks and Caicos Limited ("Sun Oil – TCI"), a wholesaler of fuel and related products operating in the Turks and Caicos Islands and Sun Brokerage Co., Ltd, a brokerage company operating in The Bahamas. Sun Oil also operates through its 60% voting interest in BTCI Tankers Limited ("BTCI") (an associate), a company engaged in shipping petroleum products throughout The Bahamas and Turks and Caicos Islands;
- Sun Oil Aviation Limited, a partner in a Joint Operation which conducts fuel supply operations at the Lynden Pindling International Airport ("LPIA");
- Sun Marine Limited, a company to develop marine shipping business at a later date;
- Boulevard Services Limited ("Boulevard"), an operator of a service station in Freeport, Grand Bahama;
- Bahamas Utilities Company Limited (formerly Sun Utilities Company Limited), a company developed to supply generators for energy production and to provide renewable energy solutions;
- Bahamas Utilities Holdings Limited; a company developed to pursue general infrastructure-related opportunities;

- Bahamas Solar & Renewables Company Limited, a company developed to provide renewable energy using solar and other renewable energy technology;
- Atlantic International Supply & Trading Limited ("AIST"), a wholesaler of petroleum products; and
- Atlantic International Supply & Trading Limited ("AIST-TCI"), a wholesaler of petroleum products.

The Group's subsidiaries are incorporated in the Commonwealth of The Bahamas, excluding BTCI, AIST-TCI and Sun Oil-TCI, which are incorporated under the laws of the Turks and Caicos Islands.

The registered office of the Group is located in the chambers of Dupuch & Turnquest, Attorneys-at-Law on Dowdeswell Street, New Providence.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group adopted new and revised Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB that are relevant to its operations and effective for annual reporting periods beginning on October 1, 2022. The adoption of the following standards and interpretations has not led to any changes in the Group's accounting policies:

Amendments to IFRS 3 Reference to the Conceptual Framework

The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 Property, Plant and Equipment— Proceeds before Intended Use

The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract

The Group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 9 Financial Instruments
- IFRS 16 Leases
- IAS 41 Agriculture

Accounting Standards and Interpretations not yet effective

At the date of authorization of these consolidated financial statements, the following relevant Standards were issued but not yet effective:

New and amended Standards		**Effective for annual periods beginning on or after**
IFRS 17	Insurance Contracts – New standard	January 1, 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	(*)
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

(*) The effective date of the amendments has yet to be set by the IAS Board; however, earlier application of the amendments is permitted.

The Directors anticipate that the Group will adopt these Standards in the relevant future periods, but have not yet assessed the potential impact of the adoption of these Standards.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. ***Statement of compliance*** - The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the interpretations adopted by the IASB, applied on a consistent basis for all years presented.

b. ***Basis of preparation*** - The consolidated financial statements include the Group and its wholly-owned subsidiaries, and have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed separately.

c. ***Basis of consolidation*** - The consolidated financial statements incorporate the financial statements of the Group, entities (including structured entities) controlled by the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group. Total comprehensive income of subsidiaries is attributed to the owners of the Group.

Where necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Group's accounting policies.

All inter-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

d. ***Cash and cash equivalents*** - Cash and cash equivalents comprise cash balances, call and short-term deposits with original contractual maturities of three (3) months or less, and subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

e. ***Term deposits*** - Term deposits comprise of bank deposits with original maturities greater than three (3) months.

f. ***Accounts receivable*** - Accounts receivable are stated at amortized cost less allowance for expected credit losses (Note 7) and any impairment losses (Notes 3 (j) and (k)).

g. ***Prepayments and other assets -*** Prepayments and other assets consist primarily of costs paid for future services occurring within a year. These costs include insurance, business license and real property tax fees which are being amortized over the terms of their respective agreements or period, respectively. Security deposits exists with Governmental agencies and private entities and are recognized in the consolidated statement of financial position as 'other assets.'

h. ***Inventories*** - Inventories are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of selling expenses.

Cost of inventories is based on the first-in, first-out method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

i. ***Property, plant, equipment and investment property*** - (i) Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 3(j)). Maintenance, repairs and minor costs are expensed as incurred. (ii) Investment properties are also stated at cost less accumulated depreciation and impairment losses, if any.

Major repairs and improvements which substantially extend the useful life of the assets are capitalized.

Upon sale or other disposition of assets, the cost and the related depreciation are removed from the accounts and the resulting gain or loss, if any, is reflected in income.

Commencing the month following acquisition or when the asset is placed in service, depreciation of property, plant, equipment and investment property is recorded on the straight-line basis with the following rates of depreciation:

Buildings and improvements	2.5% - 5%
Investment property-buildings	2.5% - 5%
Equipment	12.5 - 20%
Computer, furniture, fixtures and fencing equipment	20 - 33.3%
Storage facilities	3.9 - 5%
Vehicles	20%
Liquid petroleum gas plant	5%

j. ***Impairment*** - Property, plant, equipment and investment property, right-of-use assets and intangible assets are reviewed at the date of each consolidated statement of financial position to determine whether there is objective evidence of impairment. If any such indications exist, the asset's recoverable amount is estimated.

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate cash flows largely independent of those from other assets, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Property, plant, equipment and investment property and right-of-use assets

An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive income.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

Intangible assets

Goodwill and indefinite life intangibles are tested for impairment annually or when indicators of impairment are present. Determining whether goodwill and intangibles are impaired requires an estimation of the value in use of the asset or cash-generating units to which such assets have been allocated.

The value in use calculation requires the Group to estimate the future cash flows expected to arise from the asset or cash-generating unit and a suitable discount rate in order to calculate present value.

Intangible assets with finite useful lives are assessed for impairment when there is an impairment indicator. Amortization is recorded on a straight-line basis over the useful life of the asset.

k. *Financial instruments*

Initial recognition, subsequent measurement, and impairment

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial Assets

Initial recognition, classification and measurement

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. In order for a financial asset to be classified and measured at amortized cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss (FVTPL).

Financial assets at amortized cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

At September 30, 2023, the Group's financial assets at amortized cost includes cash, term deposits, and accounts receivable, net, notes receivable and due from associate.

The Group does not have financial assets at FVTOCI or at FVTPL.

Reclassification

When, and only when, the Group changes its business model for managing financial assets, it reclassifies all affected financial assets. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Impairment

At each reporting date the Group assesses the allowance for expected credit losses (ECLs) for financial assets at amortized cost.

Under IFRS 9, the Group is required to measure expected credit losses of a financial instrument in a way that reflects:

(i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(ii) the time value of money; and
(iii) reasonable and supportable assumptions that are available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group always recognizes lifetime ECL for trade receivables, note receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Accounts receivables are segmented based on customer type, credit risk and ageing buckets.

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset and has transferred substantially all the risks and rewards of the financial asset.

Financial Liabilities

Initial recognition, classification and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include bank overdrafts, lease liabilities, accounts payable and accrued liabilities, dividends payable, long-term debt and preference shares.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has no financial liabilities held for trading and has not designated any financial liabilities at fair value through profit or loss.

- Financial liabilities at amortized cost

  After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. This category applies to bank overdrafts, accounts payable and accrued liabilities, long-term debt and preference shares.

Derecognition

Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled or expires.

l. Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract.
The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangement in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest in the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in floating interest rate, in which case a revised discount rate is used); and
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the property, plant, equipment, right-of-use assets and investment property policy [see Note 3(j)].

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occur and are included in marketing, administrative and general expenses in the consolidated statement of comprehensive income.

The Group applied the practical expedient to rent concessions received during the current period.

<u>The Group as lessor</u>

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

m. ***Repurchase of shares*** - When share capital recognized as equity is repurchased, the amount of consideration paid, including directly attributable costs, is recognized as a reduction of equity. Pursuant to Section 45 of the Companies Act, 1992 all common shares purchased are cancelled.

n. ***Accounts payable and accrued liabilities*** - Accounts payable and accrued liabilities are measured at amortized cost.

o. ***Preference shares liability*** - Preference shares liability are measured at amortized cost using the effective interest method. The Series D preference shares do not transfer equity interest and/or voting rights to the holder of the security and guarantees returns on investments on a semi-annual basis.

p. ***Preference shares equity*** – Preference shares as equity issued by the Group are recognized as the proceeds received, net of direct issuance costs. The repurchase of preference shares is recorded as a reduction of equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issuance or cancellation of these shares.

q. ***Dividends*** - Dividends are recognized as a liability in the period in which they are declared.

r. ***Revenue recognition*** - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, rebates and other similar allowances.

Products sold

The majority of the Group's revenue is generated by the sale and delivery of products to customers. The product portfolio of the Group mainly consists of motor gasoline, diesel, propane and lubricants.

Revenue is recognized by the Group when control over the products has been transferred, at which point its performance obligation has been fulfilled to the customer. For product sales, control is transferred either at delivery of the products or upon pickup by the customer from the Group's premises. Revenue recognized is based on the price specified in the contract, net of returns, discounts, and value added tax.

Services rendered

Revenue from services is recognized in the consolidated statement of comprehensive income when the services are rendered and the performance obligation to the customer is satisfied. At this point, management is certain of collection of the associated trade accounts receivable balance. Services include tank rentals, management of supply and distribution for third parties, provision of berthing facilities and transportation fees.

Interest and dividends

Revenue from interest and dividend income are included in other income in the consolidated statement of comprehensive income. Interest income is recognized using the effective interest method, and dividend income is recognized when the shareholder's right to receive payment is established.

s. ***Borrowing costs -*** Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale, are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the consolidated statement of comprehensive income in the period in which they are incurred.

t. ***Employee benefits*** - The Group maintains defined contribution plans covering all eligible full-time employees. Contributions to the plan are based on salaries. Obligations for pension plans are recognized as an expense in the consolidated statement of comprehensive income as incurred.

u. ***Provisions*** - A provision is recognized in the consolidated statement of financial position when the Group has a present and legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

v. ***Business combinations*** - The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in the consolidated statement of comprehensive income.

w. ***Foreign currency translation*** - The Group's functional currency is Bahamian dollars. In preparing the consolidated financial statements of the Group, transactions in currencies other than Bahamian dollars are recorded at the rates of exchange prevailing on the dates of the transactions.

At the date of each consolidated statement of financial position, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the consolidated statement of comprehensive income.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the consolidated statement of comprehensive income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

x. ***Classification*** - Assets are classified as current when intended for sale or consumption in the normal operating cycle, or held primarily for the purpose of being traded, or expected to be realized within twelve months, or classified as cash or cash equivalents. All other assets are classified as non-current. Liabilities are classified as current when expected to be settled in the normal operating cycle, or held primarily for the purpose of being traded, or due to be settled within twelve months, or there are no unconditional rights to defer settlement for at least twelve months. All other liabilities are classified as non-current.

y. ***Segment reporting*** - A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

z. ***Investment in associate*** - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies and is typically evidenced by voting rights more than 20%.

The results and assets and liabilities of associates are recognized in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate.

When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses.

Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

aa. ***Related parties*** - Related parties are defined as follows:

- *i.* Controlling shareholders;
- *ii.* Subsidiaries;
- *iii.* Associates;
- *iv.* Individuals owning, directly or indirectly, an interest in the voting power that gives them significant influence over the enterprise, i.e. normally more than 20% of shares (including close family members of such individuals);
- *v.* Key management personnel - persons who have authority for planning, directing and controlling the enterprise and close family members of such individuals; and
- *vi.* Enterprises owned or which are controlled by the individuals described in (i), (iv) and (v).

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments in applying the entity's accounting policies - In the process of applying the Group's accounting policies, which are described above, judgments made by management that have the most significant effect on the amounts recognized in the consolidated financial statements are discussed in the relevant notes below.

Key sources of estimation uncertainty - critical accounting estimates - The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities, at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Certain amounts included in or affecting the Group's consolidated financial statements and related disclosure must be estimated, requiring the Group to make assumptions with respect to values or conditions which cannot be known with certainty at the time the consolidated financial statements are prepared. A critical accounting estimate is one which is both important to the portrayal of the Group's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Group evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as the forecasts as to how these might change in the future.

a. ***Impairment*** - The Group has made significant investments in tangible and intangible assets. These assets are tested for impairment as follows:

(i) Goodwill – goodwill is tested for impairment annually or when circumstances indicate there may be potential impairment. An impairment loss is recognized if the carrying amount of the asset or its related cash generating unit (CGU) exceeds its estimated recoverable amount. Key assumptions used in the recoverable amount calculation that can lead to estimation uncertainty are as follows:

- Cash flow projections based on financial budgets for a five-year period using an expected annual growth rate.
- Discount rates used to estimate the present value of projected cash flow.

(ii) Tangible and other intangible assets – the carrying amounts for tangible and other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment.

Factors considered important which could trigger an impairment review for tangible and intangible assets include the following: (i) significant fall in market values; (ii) significant underperformance relative to historical or projected future operating results; (iii) significant changes in the use of the assets or the strategy for the overall business, including assets on which a decision has been made to phase out or replace and also assets that are damaged or taken out of service; (iv) significant negative industry or economic trends; (v) and significant cost overruns in the development of assets.

Estimating recoverable amounts of assets of companies must in part be based on management evaluations, including estimates of future performance, revenue generating capacity of the assets, assumptions of the future market conditions and the success in marketing of new products and services. Changes in circumstances and in management's evaluations and assumptions may give rise to impairment losses in the relevant periods.

b. ***Investment in associate*** - In accordance with the provisions of IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investment in Associates*, the Group assessed whether or not it has control over BTCI Tankers Ltd. ("BTCI"), based on practical ability to direct the relevant activities of BTCI unilaterally. The Group owns 60% voting and equity interest in BTCI. In making their judgment, the Group considered that the relevant activities of BTCI are controlled through the management agreement with a marine management company.

Given the nature and terms of the management agreement, it was determined that the relationship was established whereby the marine management company is a principal acting on its behalf as described in IFRS 10. Therefore, it was determined that the Group does not have control as they do not have the ability to direct the relevant activities, thereby making BTCI an investment in associate.

c. ***Expected credit losses*** – The measurement of ECL is a function of the probability of default, loss given default and the exposure at default. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cashflows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Exposure at default represents the assets gross carrying amount at the reporting date.

d. ***IFRS 16 - Leases*** - The Group leases land, buildings and vessels. The calculation of the lease liabilities and right of use assets requires management to make certain assumptions. The lease term is based on the lease agreement or on the economic life of the asset if the lease is on an evergreen basis. The discount rate used to calculate the lease liability is based on the Group's incremental borrowing rate (IBR). In addition, the Group allocates the lease contract to the leased asset and to the service component of the contract. Short-terms leases are excluded from the lease liability calculation.

5. TERM DEPOSITS

The Group has the following term deposits:

Short-term deposits with local banks totaling $2,838,613 (2022: $2,830,764). The short-term deposits have maturity dates of up to six months with an interest rate of 0.55% (2022: interest rate of 0.55%) per annum.

Term deposit of $1,400,000 (2022: $1,400,000) with a bank in the Turks and Caicos Islands. The term deposit is for a period of one year at an interest rate of 0.70% (2022: 2%) per annum.

Term deposits totaling $309,158 (2022: $309,158) with a bank in the Turks and Caicos Islands. The term deposits are for a period of one year at interest rates ranging from 0.16% to 1.8% (2022: 0.18% to 0.9%).

Term deposit of $17,004 (2022: $16,949) with a local bank. The term deposit is for a one year period with an interest rate of 0.16% (2022: 0.16%).

6. INVENTORIES

Inventories consist of the following:

	2023	2022
Diesel	$ 10,947,862	$ 16,523,124
Gasoline - unleaded	7,547,916	6,155,789
Lube oil	2,618,442	1,639,993
Other	1,826,059	1,302,460
Propane	1,363,700	2,367,352
Parts and tanks	307,376	340,975
Jet fuel	8,096	378,424
	$ 24,619,451	$ 28,708,117

Management has determined that no allowance for obsolete inventory is necessary. During the year, inventories totaling $Nil (2022: $Nil) were recognized as an expense in the consolidated statement of comprehensive income, as a result of inventory write-downs.

7. ACCOUNTS RECEIVABLE, NET

Accounts receivable consists of the following:

	2023	2022
Accounts receivable - trade	$ 50,699,937	$ 32,374,011
Other receivables	2,804,685	2,197,225
	53,504,622	34,571,236
Less: allowance for expected credit loss	(4,630,825)	(3,805,484)
	$ 48,873,797	$ 30,765,752

The movement in the allowance for expected credit losses is as follows:

	2023	2022
At beginning of year	$ 3,805,484	$ 3,596,812
Expected credit loss	1,054,738	361,338
Write-offs	(229,397)	(152,666)
At end of year	$ 4,630,825	$ 3,805,484

The Group writes-off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Sensitivity Analysis - Allowance for Expected Credit Loss (ECL)

The Group's calculation of the allowance for ECL is sensitive to changes in inflation, GDP growth rates and commodity prices. A change in the ECL rate by one (1) percent of the total outstanding accounts receivable balance at September 30, 2023 can result in an increase or decrease in the allowance for ECL by $535,046 (2022: $345,712).

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Based on the provision matrix, the Group has determined an ECL rate of 0.6% - 100% (2022: 0.6% - 100%) which has been applied to the various buckets.

(Continued)

The ageing of receivables is as follows:

	2023	2022
Current	$ 35,939,049	$ 20,304,023
31 - 60 days	4,930,693	1,701,481
61 - 90 days	3,902,541	1,422,836
Over 90 days	12,392,517	11,142,896
	$ 57,164,800	$ 34,571,236

Included in accounts receivable are balances totaling $16,594,926 (2022: $10,461,729) which are past due but not impaired.

(Concluded)

8. NOTES RECEIVABLE, NET AND OTHER LONG-TERM RECEIVABLES

Notes receivable, net

Notes receivable, net consists of the following:

	2023	2022
Notes receivable	$ 2,340,641	$ 1,551,862
Less: allowance for expected credit loss	(302,290)	(122,848)
	$ 2,038,351	$ 1,429,014

The movement in allowance for expected credit loss is as follows:

	2023	2022
Balance, beginning of year	$ 122,848	$ 128,778
Expected credit loss	356,360	-
Write-offs	(176,918)	(5,930)
Balance, end of year	$ 302,290	$ 122,848

The notes are interest free and unsecured. The repayment terms range between one and eight years.

The Group writes-off a note receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Sensitivity Analysis - Allowance for Expected Credit Loss (ECL)

The Group's calculation of the allowance for ECL is sensitive to changes in inflation, GDP growth rates and commodity prices. A change in the ECL rate by one (1) percent of the total outstanding notes receivable balance at September 2022 can result in an increase or decrease in the allowance for ECL by $23,406 (2022: $15,518).

The Group always measures the loss allowance for notes receivables at an amount equal to lifetime ECL. The expected credit losses on notes receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Based on the provision matrix, the Group has determined an ECL rate of 11% - 14.7% (2022: 2.9% - 32.4%) which has been applied to the various buckets.

Other long-term receivables

Other long-term receivables consist of value added tax ("VAT") amounts due from The Bahamas Government. The balance of $9,436,301 (2022: $10,554,927) are interest free and unsecured. Management has not assessed an expected credit loss on the amounts outstanding.

9. PREPAID EXPENSES AND SUNDRY ASSETS

Prepaid expenses include advances and deferred expenses of $4,398,535 (2022: $477,286). These amounts will be fully expensed during the subsequent year.

10. PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTY, NET

The movement of property, plant, equipment and investment property during the year is as follows:

	Land	Buildings and Improvements	Equipment	Computer, Furniture, Fixtures and Fencing Equipment	Storage Facilities	Vehicles	Liquid Petroleum Gas Plant	Construction In-Progress	Total
COST/VALUATION:									
Balance at September 30, 2021	$ 27,372,367	$ 31,752,531	$ 61,017,210	$ 4,578,095	$ 52,176,724	$ 12,112,553	$ 726,295	$ 29,302,896	$ 219,038,671
Additions	2,153,253	192,020	9,035	35,576	1,192,961	370,005	-	15,639,678	19,592,528
Disposals and transfers in (out)	75,428	718,563	31,298,441	-	661,129	123,691	-	(32,998,568)	(121,316)
Balance at September 30, 2022	29,601,048	32,663,114	92,324,686	4,613,671	54,030,814	12,606,249	726,295	11,944,006	238,509,883
Additions	40,000	1,303,546	39,843,781	571,516	3,443,685	643,081	-	2,319,511	48,165,120
Disposals	-	-	(384,435)	(133,301)	(1,532,585)	(453,399)	-	-	(2,503,720)
Balance at September 30, 2023	$ 29,641,048	$ 33,966,660	$ 131,784,032	$ 5,051,886	$ 55,941,914	$ 12,795,931	$ 726,295	$ 14,263,517	$ 284,171,283
ACCUMULATED DEPRECIATION:									
Balance at September 30, 2021	$ -	$ 11,962,219	$ 19,194,502	$ 3,892,337	$ 26,972,549	$ 8,025,675	$ 726,295	$ -	$ 70,773,577
Depreciation	-	846,501	3,128,013	302,011	2,146,955	989,126	-	20,792	7,433,398
Disposals	-	168,882	2,286,597	-	(2,513,090)	(8,000)	-	-	(65,611)
Balance at September 30, 2022	-	12,977,602	24,609,112	4,194,348	26,606,414	9,006,801	726,295	20,792	78,141,364
Depreciation	-	902,311	5,037,327	296,875	2,167,257	1,114,021	-	12,606	9,530,397
Disposals	-	-	(384,435)	(133,301)	(1,528,446)	(453,399)	-	-	(2,499,581)
Balance at September 30, 2023	$ -	$ 13,879,913	$ 29,262,004	$ 4,357,922	$ 27,245,225	$ 9,667,423	$ 726,295	$ 33,398	$ 85,172,180
CARRYING VALUE:									
As at September 30, 2023	$ 29,641,048	$ 20,086,747	$ 102,522,028	$ 693,964	$ 28,696,689	$ 3,128,508	$ -	$ 14,230,119	$ 198,999,103
As at September 30, 2022	$ 29,601,048	$ 19,685,512	$ 67,715,574	$ 419,323	$ 27,424,400	$ 3,599,448	$ -	$ 11,923,214	$ 160,368,519

The Group capitalized $Nil (2022: $Nil) of borrowing costs during the year.

Some components of property, plant, equipment and investment property are pledged as security for the loan facilities obtained from a local bank (Note 16).

Rental income of $540,052 (2022: $592,667) was earned during the year for property leased by the Group (Note 26).

11. RIGHT OF USE ASSETS

	Land	Buildings	Vessels	Total
COST:				
Balance at September 30, 2021	$ 1,544,465	$ 1,182,798	$ 36,031,421	$ 38,758,684
Additions	87,017	-	517,936	604,953
Disposals	-	-	(2,803,632)	(2,803,632)
Balance at September 30, 2022	1,631,482	1,182,798	33,745,725	36,560,005
Additions	-	-	2,707,684	2,707,684
Disposals	-	-	-	-
Balance at September 30, 2023	$ 1,631,482	$ 1,182,798	$ 36,453,409	$ 39,267,689
ACCUMULATED DEPRECIATION:				
Balance at September 30, 2021	$ 615,739	$ 341,406	$ 13,431,422	$ 14,388,567
Charge for the year	194,463	107,813	4,135,328	4,437,604
Adjustment	-	-	(3,802,476)	(3,802,476)
Balance at September 30, 2022	810,202	449,219	13,764,274	15,023,695
Charge for the year	195,699	107,812	5,310,267	5,613,778
Adjustment	(11,033)	-	974,133	963,100
Balance at September 30, 2023	$ 994,868	$ 557,031	$ 20,048,674	$ 21,600,573
CARRYING VALUE:				
As at September 30, 2023	$ 636,614	$ 625,767	$ 16,404,735	$ 17,667,116
As at September 30, 2022	$ 821,280	$ 733,579	$ 19,981,451	$ 21,536,310

The Group leases several assets including land, buildings and vessels. The lease terms range from eighteen (18) months to forty (40) years. Certain leases have expired and are on an evergreen basis (i.e. the leases are automatically renewed until proper notice of cancellation by either party).

Amounts recognized in the consolidated statement of comprehensive income

	2023	2022
Depreciation expense on right-of-use assets	$ 5,613,778	$ 4,437,604
Interest expense on lease liabilities	$ 1,127,577	$ 1,074,295
Expenses relating to short-term leases	$ 704,336	$ 656,492
Expenses relating to variable lease payments not included in the measurement of the lease liability	$ 253,531	$ 224,988

(Continued)

One of the properties leased by the Group contains a variable lease payment term that is linked to sales generated from the leased store. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost. The breakdown of lease payments for this store is as follows:

	2023	2022
Fixed payments	$ 94,842	$ 92,079
Variable payments	253,531	224,988
	$ 348,373	$ 317,067

The total cash outflows for leases amounted to $6,085,677 (2022: $6,172,090).

(Concluded)

12. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets consist of the following:

	2023	2022
Goodwill	$ 10,858,568	$ 10,858,568
Intangible assets	1,266,492	1,344,436
	$ 12,125,060	$ 12,203,004

Goodwill consists of the following:

	2023	2022
Goodwill, G.A.L. Terminal Limited	$ 3,808,514	$ 3,808,514
Goodwill, Shell Propane Plant	3,285,419	3,285,419
Goodwill, Boulevard Services Limited	3,116,881	3,116,881
Goodwill, Grand Bahama Terminals Limited	647,754	647,754
	$ 10,858,568	$ 10,858,568

Allocation of goodwill to cash-generating units:

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- *Petroleum operations* - wholesale sales of petroleum and petroleum products, lubricating oils and greases and all other petroleum derivatives, the construction and operations of filling stations and the provision of bunkering services in Grand Bahama. Goodwill allocated to this cash generating unit totaled $7,573,149 (2022: $7,573,149).

- *LPG operations* - distribution, wholesale and retail sales of propane in Grand Bahama. Goodwill allocated to this cash generating unit totaled $3,285,419 (2022: $3,285,419).

Petroleum Operations - Supply of petroleum products

Goodwill arose during 2006 and 2013 when the Group acquired Texaco Service Stations in Lewis Yard and Eight Mile Rock, and Boulevard Services Limited in Freeport, Grand Bahama, respectively. The recoverable amount of this cash-generating unit is determined based on value-in-use calculations which uses cash flow projections based on financial budgets covering a five-year period, and discount rate of 13.5% per annum (2022: 12.5%).

Cash flow projections during the budgeted period are based on consistent gross margins throughout the budgeted period. The cash flows were projected over the 5-year discrete period based on a growth rate of 2% (2022: 2%) per annum. The annual growth rate is estimated by management based on the annual GDP growth rate adjusted for any entity specific considerations.

The Directors assessed the key assumption and concluded that reasonable changes in the key assumptions described would not cause the aggregate carrying value to exceed the aggregate recoverable amount resulting in an impairment of the goodwill.

The Directors estimate that significant headroom exists and only a major change in the growth rate and the discount would result in an impairment charge.

LPG Operations - Supply of propane

Goodwill arose during 2005 with the acquisition of the Shell Propane Plant in Grand Bahama. The recoverable amount of this cash-generating unit is determined based on a value-in-use calculation which uses financial budgets covering a five-year period, and a discount rate of 15.5% (2022: 15%) per annum. The business has continued to operate on a satisfactory basis, but without achieving any significant increase in market share because it remains the only supplier of the product.

Cash flow projections during the budgeted period are based on consistent gross margins throughout the budgeted period. The cash flows were projected over the 5-year discrete period based on an annual growth rate of 2% (2022: 2%) per annum. The annual growth rate is estimated by management based on the annual GDP growth rate adjusted for any entity specific considerations. The growth rate is sensitive to changes in revenues.

The Directors estimate that a decrease in the growth rate by 2% and an increase in the discount rate by 9.5% would have to occur to reduce the headroom in the cash-generating unit and result in an impairment charge for the Group.

Intangible assets

Intangible assets consist of the following:

		2023		2022
Trademark license	$	4,080,000	$	4,080,000
Computer software		1,827,493		1,779,126
Less: accumulated amortization		(4,641,001)		(4,514,690)
	$	1,266,492	$	1,344,436

Shell Brands International AG is one of the Shell Overseas Holdings Limited ("SOHL") Group of Companies whose primary responsibility is to maintain the Shell Brand Trademarks in all relevant jurisdictions. Upon purchasing Shell Bahamas Limited, the Group paid an initial license fee of $4,080,000 and pays quarterly royalties on American gallons sold from authorized sites. The agreement provides the Group with a non-exclusive license to continue the use of the Shell Brand Visual Manifestations at authorized sites.

The Group entered into an initial Trademark License Agreement with SOHL which expired January 15, 2011. Effective July 2012, the agreement was renewed for a further five (5) years with revised royalty rates. "The Parties may at any time extend the License term for a further period of five (5) years on the same commercial terms as at the commencement date or otherwise."

Management reviewed the useful life assessment and subsequently determined that the Trademark License has a finite useful life equal to the remaining life of the contract with the exercised option. As a result, the Trademark License is being amortized over a period of seven years, commencing August 2014. The Trademark License was fully amortized during 2021. Management has assessed and have not identified any impairment events that would trigger impairment testing of the trademark during the period.

The value of the initial license fee was determined by SOHL and purportedly represents the proportionate value added to the business as a result of SOHL's global efforts to distinguish itself and promote its products over those of its competitors.

Computer software

On November 1, 2018, the Group completed the installation of various industry specific computer software to improve operational efficiency and customer service. The computer software has an estimated useful life of fifteen (15) years and amortization expense for the period was $126,311 (2022: $115,519).

13. DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation and amortization expense consists of the following:

	2023	2022
Depreciation of property, plant and equipment	$ 9,530,397	$ 7,433,398
Depreciation of right-of-use assets	5,613,780	4,437,604
Amortization of trademark license and computer software	126,311	115,519
Amortization of Preference D transaction costs	16,843	15,877
	$ 15,287,331	$ 12,002,398

14. INVESTMENT IN ASSOCIATE

Investment in associate consist of the following:

	Interest Held	2023	2022
BTCI Tankers Ltd.	60.00%	$ 22,732,255	$ 19,887,382

Total movement in investment in associate is as follows:

	2023	2022
Balance, beginning of year	$ 19,887,382	$ 18,125,668
Equity income	2,844,873	1,761,714
Balance, end of period	$ 22,732,255	$ 19,887,382

15. BANK OVERDRAFT

The Group has a combined overdraft facility of $25,100,000 (2022: $10,100,000). This combined facility bears interest at Bahamas Prime plus 1.00% or 5.25% (2022: Bahamas Prime plus 1.00% or 5.25%) per annum. During the year, the Group was approved for a $15,000,000 increase in its overdraft facility. The Group availed the facility. At September 30, 2023, the combined overdraft facility balance was $18,176,408 (2022: $6,157,152).

The overdraft facilities are secured by a guarantee and postponement of claim by the Group, a fixed and floating charge debenture over the assets in the Group and the assignment of insurance proceeds.

16. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consists of the following:

	2023	2022
Trade payables	$ 61,155,206	$ 49,375,633
Accrued liabilities	3,779,090	2,830,923
	$ 64,934,296	$ 52,206,556

17. LONG-TERM DEBT

Long-term debt consists of the following:

	2023	2022
Bank loan	$ 27,787,441	$ 29,822,752
Note payable	-	173,702
	27,787,441	29,996,454
Less: current portion	2,135,803	2,215,696
	$ 25,651,638	$ 27,780,758

The Group has the following bank loans:

i. $5 million loan facility obtained in November 2019 representing the final drawdown on a $20 million loan facility initially obtained during the period September 2014 to July 2019. The loan is repayable over a 10-year term at an interest rate of Bahamas Prime Plus 0.25% or 4.50% and monthly payments of $51,819 (2022: $51,819). The loan balance at September 30, 2023 was $3,343,907 (2022: $3,804,006).

   The loan facility is secured by debenture and guarantee and a pledge of shares of the Parent company.

ii. $10 million facility obtained to finance capital projects. The facility was initially obtained in the form of an overdraft facility. In November 2021, the overdraft facility was converted to a loan. The loan is amortized over a fifteen-year period at an interest rate of Bahamas Prime Plus 0.25% or 4.50% and monthly installments of $76,499 (2022: $76,499). The loan balance at September 30, 2023 was $9,107,087 (2022: $9,603,359).

   The loan facility is secured by guarantee and postponement of claim by the Group, a fixed and floating charge over the assets in the Group and the assignment of insurance proceeds.

(Continued)

iii. $17.1 million facility obtained to finance capital projects. The facility was initially obtained in the form of an overdraft facility. In November 2021, the overdraft facility was converted to a loan. The loan is amortized over a twelve-and-a-half-year period at an interest rate of Bahamas Prime Plus 0.25% or 4.50% and monthly installments of $149,225 (2022: $149,225). The loan balance at September 30, 2023 was $15,336,447 (2022: $16,415,387).

The loan facility is secured by guarantee and postponement of claim by the Group, a fixed and floating charge over the assets in the Group and the assignment of insurance proceeds.

The note payable is unsecured at an interest rate of 6.00% over a 10-year term, repayable in monthly installments of $22,204 (2022: $22,204). The note payable was repaid in full during the current year.

Loan maturity analysis:

	2023			
	Carrying Amount	**0-12 months**	**1-5 years**	**Greater than 5 years**
Loan facility - $5 million	$ 3,343,907	$ 481,235	$ 2,862,672	$ -
Loan facility - $10 million	9,107,087	518,773	2,974,016	5,614,298
Loan facility - $17.15 million	15,336,447	1,135,795	6,511,274	7,689,378
Total Long-Term Debt	$ 27,787,441	$ 2,135,803	$ 12,347,962	$ 13,303,676

	2022			
	Carrying Amount	**0-12 months**	**1-5 years**	**Greater than 5 years**
Loan facility - $5 million	$ 3,804,006	$ 460,098	$ 2,637,647	$ 706,261
Loan facility - $10 million	9,603,359	495,987	2,843,392	6,263,980
Loan facility - $17.15 million	16,415,387	1,085,909	6,225,286	9,104,192
Note payable	173,702	173,702	-	-
Total Long-Term Debt	$ 29,996,454	$ 2,215,696	$ 11,706,325	$ 16,074,433

(Concluded)

18. LEASE LIABILITIES

		2023		2022
Current	$	4,953,751	$	3,534,963
Non-Current		12,887,120		18,582,968
	$	17,840,871	$	22,117,931

The Group does not face a significant liquidity risk with regard to its lease liabilities. The average effective borrowing rate used was 4.90% (2022: 4.90%).

19. PREFERENCE SHARES

The following preference share series are issued and outstanding and are classified at long-term debt in the consolidated statement of financial position:

Preference shares series D
Amount: $12 million
Issuance date: May 31, 2021
Maturity date: June 30, 2030
Interest rate: 6% payable on June 30 and December 30

Preference shares series E
Amount: $16 million
Issuance date: May 11, 2023
Maturity date: April 30, 2033
Interest rate: 6.25% payable on April 30 and October 31

Key attributes of preference D and E shares are as follows:

a. ***Early redemption*** - The Group may not redeem these shares prior to the third anniversary date. After the third anniversary date, the Group may redeem these shares in whole or in part by providing 90 days' written notice to the holders of the shares.

b. ***Liquidation preference*** - If the Group liquidates, dissolves, winds up or sells more than 51% of the value of the Group's assets other than in the ordinary course of the Group's business, the shareholders will have the right to redeem at par value.

c. ***Ranking*** - The shares will rank in respect to the payment of dividends and payments upon liquidation equally, with any other preference shares maintained by the Group and senior to the Group's Common Shares.

d. ***No equity ownership or voting rights*** - Holders do not have equity ownership or voting rights.

The preference shares are recorded at fair value less transaction costs at initial recognition. At September 30, 2023 the balance was $27,582,157 (2022: $11,832,752). Transaction costs are amortized over the life of the shares using the effective interest method.

20. SHARE CAPITAL

	2023	2022
Common Shares		
Authorized:		
480,000,000 shares of $.0008 each		
(2022: 480,000,000 shares of $.0008 each)	$ 400,000	$ 400,000
Issued and fully paid:		
100,217,102 shares of $.0008 each		
(2022: 100,217,102 shares of $.0008 each)	$ 83,563	$ 83,563

The movement in issued shares in numbers during the year is as follows:

	2023	2022
Balance at beginning of year	100,217,102	100,321,599
Common shares purchased during the year	-	(104,497)
Balance at end of year	100,217,102	100,217,102

Common share dividends are made payable to shareholders of record as at December 31, March 31, June 30 and September 30 of each year within 10 business days of the record date or such other period as stipulated by the Directors from time to time.

During the year, the Directors declared and the Group paid dividends of $0.12 per share or $12,026,052 (2022: $0.12 per share or $12,036,502).

Treasury shares

During the year, the Group acquired and cancelled $Nil (2022: 104,497) of its own common shares at a total cost of $Nil (2022: $409,245) and as such, these shares are not reflected in treasury shares.

(Continued)

	2023	2022
Preference Shares		
Authorized:		
Class A shares of $.01 each	25,000,000	25,000,000
Class B shares of $.01 each	15,000,000	15,000,000
Class C shares of $.01 each	10,000,000	10,000,000
Additional authorized shares	70,000,000	70,000,000
	120,000,000	120,000,000
120,000,000 shares of $.01 each (2022: 120,000,000 shares of $.01 each)	$ 1,200,000	$ 1,200,000
Issued and fully paid:		
Class A shares of $.01 each	25,000,000	25,000,000
Class B shares of $.01 each	15,000,000	15,000,000
Class C shares of $.01 each	10,000,000	10,000,000
	50,000,000	50,000,000
50,000,000 shares of $.01 each (2022: 50,000,000 shares of $.01 each)	$ 500,000	$ 500,000

The movement in issued preference shares during the year is as follows:

	2023	2022
Balance at beginning of year	50,000,000	50,000,000
Issued and fully paid during the year	-	-
Balance at end of year	50,000,000	50,000,000

Key attributes of the preference shares are as follows:

a. ***Refunding provision*** - The Group reserves the right to retire these securities at any date, if it is deemed to be in the Group's best interest, providing 90 days' notice by way of a refunding issue. In the case of such refunding, investors would have first right of refusal to subscribe for an equivalent amount of the principal value of new securities in any such refunding issue.

(Continued)

b. ***Dividends*** - Preference share dividends at the annual rate of The Bahamas Prime Lending Rate plus 1.75% on the principal value outstanding to shareholders of record as at the record date (if declared) are paid in semi-annual cash installments following declaration by the Board of Directors in their full discretion. Effective January 3, 2017, the Bahamas Prime Lending Rate changed to 4.25% resulting in an effective rate of 6.00%. Unpaid dividends are cumulative from the date of the last dividend payment or from the date of issuance, whichever is later.

Preference share dividends declared are made payable to shareholders of record as at April 15, June 30, October 15 and December 31 of each year within 10 business days of the record date in the full discretion of the Board of Directors.

c. ***Liquidation preference*** - If the Group liquidates, dissolves, winds up or sells more than 51% of the value of the Group's assets other than in the ordinary course of the Group's business, holders of Preference Shares will have the right to have their shares redeemed at the issue price of B$1.00 per share of the residual outstanding principal value on the effective date of liquidation.

d. ***Ranking*** - The Class A, Class B and Class C Preference Shares rank equally, and with respect to the payment of dividends and payments upon liquidation: (1) senior to the Group's Common Shares and (2) subordinate to any debentures, debt obligations, or vendor claims against the Group.

e. ***No equity ownership or voting rights*** - Holders of Preference Shares do not have equity ownership nor voting rights.

Contributed capital

Total contributed capital is comprised of:

	2023	2022
Common shares	$ -	$ -
Preference shares	49,500,000	49,500,000
	$ 49,500,000	$ 49,500,000

(Concluded)

21. MARKETING, ADMINISTRATIVE AND GENERAL EXPENSES

Marketing, administrative and general expenses are comprised of:

	2023	2022
Salaries and benefits	$ 17,638,652	$ 14,720,490
Repairs and maintenance	7,939,293	7,107,454
Insurance	7,059,420	5,702,249
Shipping and delivery	6,410,885	4,871,098
License registrations	3,012,936	2,776,461
Trademark and related fees	1,828,244	1,808,884
Professional fees	1,624,075	1,412,100
Expected credit losses	1,411,098	361,339
Utilities	1,312,020	1,087,058
Rent	1,034,401	954,834
Miscellaneous	974,294	328,913
Communications	791,792	811,213
Advertising	731,161	717,907
Bank charges	726,808	374,203
Travel expenses	440,113	306,871
Office expenses	256,077	217,853
Consulting fees	189,242	111,750
Donations	152,213	146,450
Non-executive Directors' fees	112,800	108,000
Customer service	73,082	119,064
	$ 53,718,606	$ 44,044,191

22. EARNINGS PER SHARE

The calculation of basic earnings per share at September 30, 2023 was based on net comprehensive income attributable to ordinary shareholders of the Group totaling $29,620,928 (2022: $18,362,826) and weighted average number of ordinary shares outstanding during the year ended September 30, 2023 of 100,321,073 (2022: 100,321,073), are calculated as follows:

	2023	2022
Net income for the year	$ 32,620,928	$ 21,362,826
Dividends paid on preference shares	(3,000,000)	(3,000,000)
Net income attributable to ordinary shareholders of the Parent company	$ 29,620,928	$ 18,362,826
Weighted average number of ordinary shares, end of year	100,217,102	100,321,073
Basic and diluted earnings per share	$ 0.30	$ 0.18

23. PENSION PLANS

The Group through its subsidiaries, has two (2) (2022: 2) separate defined contribution plans covering all eligible full-time employees. Contributions are based on employee salaries and are matched by the subsidiaries up to 5% (2022: 5%). Employer contributions vest after five years. The plans are administered by independent third parties. Combined contributions for the period for both plans were $456,893 (2022: $461,454).

24. RELATED PARTY BALANCES AND TRANSACTIONS

Related party balances and transactions were as follows:

	2023	2022
Related party balances:		
Accounts receivable	$ 982,258	$ 1,131,909
Due from associate	$ -	$ 82,191
Accounts payable and accrued liabilities	$ 1,615	$ 1,245
Dividends payable	$ 2,004,342	$ 2,004,342
Due to associate	$ 3,424,362	$ 1,665,123
Right of use assets, net	$ 15,983,277	$ 17,864,122
Lease liabilities	$ 18,979,136	$ 19,426,077
Related party transactions:		
Equity income	$ 2,844,873	$ 1,761,713
Shipping and delivery	$ 1,102,664	$ 2,354,679
Cost of sales	$ 5,957,502	$ 4,764,606
Non-executive Directors' fees	$ 112,800	$ 108,000
Insurance premiums	$ 6,986,506	$ 5,508,388
Professional fees	$ 533,020	$ 730,074
Compensation of key management personnel:		
Salaries and short-term benefits	$ 2,195,062	$ 2,272,605
Post employment benefits	346,796	273,550
Consulting fees	174,000	111,750
	$ 2,715,858	$ 2,657,905

The balance due from/to associate is unsecured and interest free with no fixed terms of repayment.

25. FINANCIAL INSTRUMENTS

The Group is exposed to various risks including interest rate risk, credit risk, liquidity risk, capital risk, currency risk and fair value of financial assets and liabilities risk arising in the normal course of the Group's business activities. Management monitors the financial risks of the Group and takes such measures as considered necessary from time to time, to minimize such financial risks.

a. Interest rate risk

The Group is exposed to interest rate risk on short-term deposits and long-term debt. Management monitors interest rates to minimize the gap between interest rates, however, such instruments bear interest at adjustable rates thus limiting interest rate risk.

The Group's interest rates on long-term debt are not sensitive to changes given that The Bahamas Prime Lending Rate remained unchanged since January 2017. Interest rates for long-term debt is based on the Bahamas Prime Lending Rate plus a standard markup percentage.

b. Inflation risk

The Group is exposed to inflation risks due to fluctuations in the sales price of petroleum products. Management monitors the cost and sales price of petroleum products on the international and local markets. Inflation risk is minimal as petroleum products are a necessity and fluctuations in the cost will not have a material impact on sales volumes.

c. Credit risk

The Group is exposed to credit risk in respect of losses that would have to be recognized if counterparties fail to perform as contracted.

The Group's exposure to credit risk is primarily with respect to accounts receivable, bank balances, and short-term deposits. Credit risk on bank balances and short-term deposits is limited as counterparties are reputable, well-established financial institutions. The Group's credit risk is thus primarily limited to accounts receivable, which is shown net of expected credit losses.

At each reporting date, the Group performs an impairment analysis by applying a simplified approach using a provision matrix to measure expected credit losses. Loss rates are based on actual credit losses for a three to five-year period. Loss rates are adjusted to reflect changes in forward-looking information such as inflation, GDP growth rates and commodity prices.

The credit risk from accounts receivable is mitigated by monitoring the solvency and the payment history of counterparties before continuing to extend credit facilities to them. Accounts receivable balances are written off when there is no reasonable expectation of recovery.

To assess the allowance for expected credit losses, accounts receivable balances have been grouped based on shared credit risk characteristics such as aging, governmental corporations, retail service station customers and other customers.

d. Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Prudent liquidity risk management requires maintaining sufficient cash. The Group monitors and maintains a level of bank balances deemed adequate to finance its operations. The Group maintains cash deposits with financial institutions of good standing. In addition, the Group through its subsidiaries maintains overdrafts as described in Note 15.

The tables below analyses the Group's financial assets and liabilities in relevant maturity groupings based on the remaining period at the contractual maturity dates:

	2023			
	Carrying Amount	0-12 months	1-5 years	Greater than 5 years
Cash	$ 31,706,910	$ 31,706,910	$ -	$ -
Term deposits	4,564,775	4,564,775		
Accounts receivable, net	48,873,797	48,873,797	-	-
Notes receivable, net	2,038,352	1,973,101	65,251	-
Other long-term receivables	9,436,301	9,436,301	-	-
Total financial assets	$ 96,620,135	$ 96,554,884	$ 65,251	$ -

	2023			
	Carrying Amount	0-12 months	1-5 years	Greater than 5 years
Bank overdraft	$ 18,176,408	$ 18,176,408	$ -	$ -
Accounts payable	64,934,296	64,934,296	-	-
Dividends payable	2,004,342	2,004,342	-	-
Due to associate	3,424,362	3,424,362	-	-
Lease liability	17,840,871	4,953,751	12,354,301	532,819
Long-term debt	27,787,441	2,135,803	12,347,962	13,303,676
Preference shares	27,582,157	-	-	27,582,157
Total financial liabilities	$ 161,749,877	$ 95,628,962	$ 24,702,263	$ 41,418,652
Net liquidity gap	$ (65,129,742)	$ 925,922	$ (24,637,012)	$ (41,418,652)

	2022			
	Carrying Amount	0-12 months	1-5 years	Greater than 5 years
Cash	$ 30,900,968	$ 30,900,968	$ -	$ -
Term deposits	4,556,898	4,556,898		
Accounts receivable, net	30,765,752	30,765,752	-	-
Notes receivable, net	1,429,015	1,025,418	403,597	-
Other long-term receivables	10,554,927	10,554,927	-	-
Total financial assets	$ 78,207,560	$ 77,803,963	$ 403,597	$ -

	2022			
	Carrying Amount	0-12 months	1-5 years	Greater than 5 years
Bank overdraft	$ 6,157,152	$ 6,157,152	$ -	$ -
Accounts payable	52,206,556	52,206,556	-	-
Dividends payable	2,004,342	2,004,342	-	-
Due to associate	1,665,123	1,665,123	-	-
Lease liability	22,117,931	3,534,963	13,643,793	4,939,175
Long-term debt	29,996,454	2,215,696	11,706,325	16,074,433
Preference shares	11,832,752	-	-	11,832,752
Total financial liabilities	$ 125,980,310	$ 67,783,832	$ 25,350,118	$ 32,846,360
Net liquidity gap	$ (47,772,750)	$ 10,020,131	$ (24,946,521)	$ (32,846,360)

e. Capital risk

Capital risk is the risk that the Group will become unable to absorb losses; this entails ensuring that opportunities can be acted upon in a timely fashion, while solvency is never threatened.

The Group manages its capital to ensure it will be able to continue as a going concern while maximizing benefits and opportunities that may arise. The Group holds Board of Directors meetings, during which time all aspects of the business are discussed. Identified risks are addressed and immediate solutions are sought. The capital structure of the Group consists of net debt and equity of the Group and is comprised of issued capital, reserves and retained earnings.

The Board manages its capital structure and makes adjustments to it in light of economic conditions. The Board may from time to time adjust dividend payments, return capital to shareholders, issue new shares, retire debt or increase debt all subject to performance ratios provided by their primary banker.

The Group's capital risk policy remains unchanged from 2022.

f. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At present, the Group does not have any significant transactions denominated in foreign currencies and foreign exchange rates have not significantly fluctuated during the period.

Transactions denominated in U.S. dollars were translated into Bahamian dollars at the time of the exchange.

g. Fair value of financial assets and liabilities risk

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

In the opinion of management, the estimated fair value of financial assets and financial liabilities (accounts receivable, bank balances, and accounts payable and accrued liabilities) at the date of the consolidated statement of financial position were not materially different from their carrying values due to their short-term nature.

26. COMMITMENTS

The Group through its subsidiaries entered into the following:

1. Various strategic agreements with third parties in order to secure supplies of inventory, as well as a Technical Service Agreement in connection with its participation in the Joint Operation at the Lynden Pindling International Airport. Incidental to these agreements, the Group through its subsidiaries, has committed to minimum purchase quantities for the supply agreements, and a minimum annual fee for the Technical Service Agreement.

2. A supply agreement with a major supplier of petroleum products. Per the sales agreement, the Group is committed to purchase minimum quantities of gasoline, diesel and liquid petroleum gas for the fiscal year. The supply agreement covers the period from October 1, 2023 to September 30, 2024. Thereafter, the agreement shall renew automatically for each successive year, unless terminated thereafter by either party upon written notice of cancellation.

3. Renewal of a Trademark License agreement effective July 2012 (see Note 12). The agreement provides a non-exclusive license to the Shell Brand Visual Manifestations at authorized sites. Consideration for the license, valued at $4,080,000 at inception of the agreement, is capitalized accordingly. Continued use of the license is contingent on the subsidiary's commitment to pay SOHL royalties based on American gallons sold by authorized sites.

4. An agreement to provide generation equipment to a customer. The subsidiary also entered into a fuel supply agreement for the generation equipment that will run concurrently with the generation equipment agreement. Both agreements are for a three-year period commencing on the commercial operation date of the generation equipment.

27. OPERATING LEASE AGREEMENTS

Operating leases, in which the Group is the lessor, related to property owned by the Group with lease terms between one to five years. The lessee does not have an option to purchase the property at the expiry of the lease period.

Lease income on operating leases was $540,052 (2022: $592,667).

The maturity analysis of operating lease receipts are as follows:

	2023	2022
Within one year	$ 480,396	$ 564,996
After one year but no more than five years	2,340,180	2,609,441
	$ 2,820,576	$ 3,174,437

28. CONTINGENT LIABILITIES

The Group is contingently liable for customs bonds of $4,480,000 (2022: $4,205,000) and has standby letters of credit of $9,400,000 (2022: $9,400,000).

29. CLAIMS AGAINST THE GROUP

Pursuant to the purchase of Shell Bahamas Limited, FOHIL assumed several outstanding legal matters and has engaged legal counsel to represent FOHIL in these matters. Based on management's judgment, a provision has been made in the consolidated financial statements for remaining exposure to expected loss in connection therewith.

30. SEGMENT REPORTING

The Group's primary format for segment reporting is in Business Segments. The risks and returns of the Group's operations are primarily determined by the nature of the different activities that the Group is engaged in, rather than the geographical location of these operations. This is reflected by the Group's organizational structure and the Group's internal financial reporting systems.

The Group has three Operating Segments: Wholesale, Retail and Utility Services. The activity of the Retail Segment includes marketing and operating several service stations, whilst the Wholesale Segment is dedicated to supplying petroleum products. The Utility Services Segment supplies generators for the purposes of energy production. The Group is managed on an integrated basis. The accounting policies of Operating Segments are the same as those described in Note 3, Summary of Significant Accounting Policies. Sales between segments are made at prices that approximate market prices, taking into account the volumes involved. Revenue, expenses and results of the segments include inter-segment transactions between business segments. These transactions and any unrealized profits and losses are eliminated on consolidation.

(Continued)

STATEMENT OF COMPREHENSIVE INCOME - 2023

	Retail	Wholesale	Utility Services	Eliminations	Consolidated
REVENUE:					
External sales	$ 86,571,860	$ 338,138,204	$ 16,978,081	$ -	$ 441,688,145
Intersegment sales	-	407,034,465	-	(407,034,465)	-
	86,571,860	745,172,669	16,978,081	(407,034,465)	441,688,145
RESULT:					
Segment result	(1,108,760)	27,619,744	9,000,897	(112,921)	35,398,960
Income from operations	(1,108,760)	27,619,744	9,000,897	(112,921)	35,398,960
Interest income	6,503	-	-	-	6,503
Finance costs	(53,271)	(1,597,663)	(1,133,601)	-	(2,784,535)
PROFIT AND COMPREHENSIVE INCOME FOR THE YEAR	$ (1,155,528)	$ 26,022,081	$ 7,867,296	$ (112,921)	$ 32,620,928

STATEMENT OF FINANCIAL POSITION

	Retail	Wholesale	Utility Services	Eliminations	Consolidated
ASSETS:					
Segment assets	$ 53,795,127	$ 318,716,333	$ 119,531,181	$ (114,880,987)	$ 377,161,654
TOTAL ASSETS	$ 53,795,127	$ 318,716,333	$ 119,531,181	$ (114,880,987)	$ 377,161,654
LIABILITIES:					
Segment liabilities	$ 35,672,874	$ 213,017,287	$ 26,292,173	$ (113,232,457)	$ 161,749,877
TOTAL LIABILITIES	$ 35,672,874	$ 213,017,287	$ 26,292,173	$ (113,232,457)	$ 161,749,877

OTHER INFORMATION

	Retail	Wholesale	Utility Services	Eliminations	Consolidated
ASSETS:					
Capital additions	$ 792,004	$ 7,437,101	$ 39,936,015	$ -	$ 48,165,120

(Continued)

STATEMENT OF COMPREHENSIVE INCOME - 2022

	Retail	Wholesale	Utility Services	Eliminations	Consolidated
REVENUE:					
External sales	$ 81,234,461	$ 335,894,721	$ 6,679,127	$ -	$ 423,808,309
Intersegment sales	-	425,148,635	-	(425,148,635)	-
	81,234,461	761,043,356	6,679,127	(425,148,635)	423,808,309
RESULT:					
Segment result	17,190	22,376,418	1,664,993	88,936	24,147,537
Income from operations	17,190	22,376,418	1,664,993	88,936	24,147,537
Interest income	6,160	-	-	-	6,160
Finance costs	(73,222)	(1,372,709)	(1,344,940)	-	(2,790,871)
PROFIT AND COMPREHENSIVE INCOME FOR THE PERIOD	$ (49,872)	$ 21,003,709	$ 320,053	$ 88,936	$ 21,362,826

STATEMENT OF FINANCIAL POSITION

	Retail	Wholesale	Utility Services	Eliminations	Consolidated
ASSETS:					
Segment assets	$ 51,426,438	$ 316,269,485	$ 74,257,626	$ (118,156,338)	$ 323,797,211
TOTAL ASSETS	$ 51,426,438	$ 316,269,485	$ 74,257,626	$ (118,156,338)	$ 323,797,211
LIABILITIES:					
Segment liabilities	$ 18,106,816	$ 193,261,903	$ 31,232,320	$ (116,620,729)	$ 125,980,310
TOTAL LIABILITIES	$ 18,106,816	$ 193,261,903	$ 31,232,320	$ (116,620,729)	$ 125,980,310

OTHER INFORMATION

	Retail	Wholesale	Utility Services	Eliminations	Consolidated
ASSETS:					
Capital additions	$ 513,790	$ 7,545,527	$ 11,533,211	$ -	$ 19,592,528

Segment assets consist primarily of accounts receivable, inventories, property, plant, equipment, investment property, intangible assets and right of use assets.

Segment liabilities consist primarily of accounts payable, accrued liabilities, certain long-term debt and lease liabilities.

Corporate overheads are allocated to segments for company reporting purposes based on annual revenues and operating expenditure.

(Concluded)

31. RECLASSIFICATION

The following amounts included in marketing, administrative and general expenses and cost of sales have been reclassified to conform with the current year's presentation. Consolidated net profit and comprehensive income for the year reported in the consolidated statement of comprehensive income will not be impacted as a result of this change.

		Effect on 2022
Consolidated statement of comprehensive income:		
Decrease in marketing, administrative and general expenses	$	(713,907)
Increase in cost of sales	$	713,907

32. SUBSEQUENT EVENTS

Subsequent to year end but before the date of authorization of these consolidated financial statements, the following events have occurred:

1. The Group declared distribution of the following dividends:

    a) ***Common Shareholders:***

    i. Extra-ordinary dividend of 3 cents per share to all shareholders on record at November 30, 2023, payable on December 12, 2023.

    ii. Ordinary dividend of 3 cents per share to all shareholders on record at December 29, 2023, payable on January 12, 2024.

    b) ***Preference Shareholders:***

    i. Semi-annual dividend of 6.00% (Prime + 1.75%), to Class B Preference Shareholders on record at October 13, 2023, payable by October 27, 2023.

    ii. Semi-annual dividend of 6.25% to Class E Preference Shareholders on record at October 31, 2023, payable on October 31, 2023.

    iii. Semi-annual dividend of 6.00% (Prime + 1.75%), to Class A and C Preference Shareholders on record at December 29, 2023, payable by January 12, 2024.

    iv. Semi-annual dividend of 6.00% (Prime + 1.75%), to Class D Preference Shareholders on record at December 29, 2023, payable by December 29, 2023.

2. During October 2023, the Group received approval for a loan facility in process at year-end. The Group received $20,000,000 of the $24,000,000 loan facility. The Group's combined overdraft facility was reduced to $10,100,000.

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APPENDIX D

FOCOL HOLDINGS LIMITED

Consolidated Interim Financial Statements
For The Three Months Ended December 31, 2023 (Unaudited)

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 (UNAUDITED)
(Expressed in Bahamian dollars)

	31-Dec-23	31-Dec-22	30-Sep-23 Audited
ASSETS			
CURRENT ASSETS:			
Cash	42,595,249	27,682,389	31,706,910
Term deposits	4,581,744	4,556,898	4,564,775
Accounts receivable, net	60,781,229	53,677,745	60,348,449
Inventories	27,298,781	36,135,266	24,619,451
Prepaid expenses and sundry assets	6,729,560	4,490,900	4,398,535
Total current assets	141,986,563	126,543,198	125,638,120
NON-CURRENT ASSETS:			
Property, plant and equipment, net	200,528,650	159,364,895	198,999,103
Right of use assets, net	16,255,833	22,791,243	17,667,116
Goodwill and intangible assets	12,094,619	12,164,542	12,125,060
Investment in associate	23,247,878	20,322,382	22,732,255
Due from associate	-	81,064	-
Total non-current assets	252,126,980	214,724,126	251,523,534
TOTAL ASSETS	394,113,543	341,267,324	377,161,654
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Bank overdraft	18,913	5,044,515	18,176,408
Accounts payable and accrued liabilities	80,723,524	68,725,647	64,934,296
Dividends payable	3,006,261	3,006,513	2,004,342
Current portion of lease liabilities	4,549,994	4,522,659	4,953,751
Current portion of long-term debt	3,747,170	2,174,429	2,135,803
Total current liabilities	92,045,862	83,473,763	92,204,600
NON-CURRENT LIABILITIES:			
Due to associate	3,494,173	2,588,615	3,424,362
Lease liabilities	12,233,010	19,017,150	12,887,120
Long term debt	43,516,822	27,257,922	25,651,638
Preference shares	27,600,787	11,841,049	27,582,157
Total non-current liabilities	86,844,792	60,704,736	69,545,277
SHAREHOLDERS' EQUITY:			
Share capital	83,556	83,563	83,563
Preference shares	500,000	500,000	500,000
Contributed capital	49,500,000	49,500,000	49,500,000
Retained earnings	165,139,333	147,005,262	165,328,214
Total equity	215,222,889	197,088,825	215,411,777
TOTAL LIABILITIES AND EQUITY	394,113,543	341,267,324	377,161,654

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED DECEMBER 31, 2023 (UNAUDITED)
(Expressed in Bahamian dollars)

	31-Dec-23	**31-Dec-22**	**30-Sep-23 Audited**
REVENUES	105,794,705	105,508,485	441,688,145
COST OF SALES	(79,837,191)	(83,940,324)	(339,021,026)
Gross profit	25,957,514	21,568,161	102,667,119
Equity income	515,624	435,000	2,844,873
Other income	1,768	1,926	6,503
Marketing, administrative and general expenses	(15,070,386)	(12,135,540)	(53,718,606)
Depreciation and amortization expense	(3,905,008)	(3,255,771)	(15,287,331)
Finance costs	(752,759)	(693,238)	(2,784,535)
Dividends on preferred shares	(434,752)	(182,959)	(1,107,095)
NET PROFIT AND COMPREHENSIVE INCOME	6,312,001	5,737,579	32,620,928
Earnings per share	0.06	0.05	0.30

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED DECEMBER 31, 2023 (UNAUDITED)
(Expressed in Bahamian dollars)

	Share Capital	Preference Shares	Contributed Capital	Retained Earnings	Total
Balance at September 30, 2022	83,563	500,000	49,500,000	147,733,338	197,816,901
Total comprehensive income	-	-	-	5,737,579	5,737,579
Common share dividends	-	-	-	(6,015,655)	(6,015,655)
Preference share dividends	-	-	-	(450,000)	(450,000)
Balance at December 31, 2022	**83,563**	**500,000**	**49,500,000**	**147,005,262**	**197,088,825**
Balance at September 30, 2023	83,563	500,000	49,500,000	165,328,214	215,411,777
Total comprehensive income	-	-	-	6,312,001	6,312,001
Common shares purchased and cancelled	(7)	-	-	(38,121)	(38,128)
Common share dividends	-	-	-	(6,012,761)	(6,012,761)
Preference share dividends	-	-	-	(450,000)	(450,000)
Balance at December 31, 2023	**83,556**	**500,000**	**49,500,000**	**165,139,333**	**215,222,889**

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
THREE MONTHS ENDED DECEMBER 31, 2023 (UNAUDITED)
(Expressed in Bahamian dollars)

	31-Dec-23	**31-Dec-22**	**30-Sep-23 Audited**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	6,312,001	5,737,579	32,620,928
Adjustments for:			
Depreciation and amortization expense	3,905,008	3,255,771	15,287,331
Equity income from associate	(515,624)	(435,000)	(2,844,873)
Loss on disposal of property, plant and equipment, net	-	-	(3,001)
Income from operations before working capital changes	9,701,385	8,558,350	45,060,385
(Increase) Decrease in accounts receivable, net	(432,780)	(10,928,052)	(17,598,756)
(Increase) Decrease in prepaid expenses and sundry assets	(2,331,025)	(1,686,771)	(1,594,406)
(Increase) Decrease in inventories	(2,679,330)	(7,427,149)	4,088,666
Increase (Decrease) in accounts payable and accrued liabilities	15,789,228	16,519,091	12,727,740
Increase (Decrease) in dividends payable	1,001,919	1,002,171	-
Net cash from operating activities	21,049,397	6,037,640	42,683,629
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) Decrease in term deposits	(16,969)	-	(7,877)
(Increase) Decrease in due from associate	-	1,127	82,191
Increase (Decrease) in due to associate	69,811	923,492	1,759,239
Proceeds from disposal of property, plant and equipment	-	-	7,140
Purchase of property, plant and equipment	(3,974,201)	(991,894)	(48,165,120)
Purchase of intangible assets	-	-	(48,367)
Net cash used in investing activities	(3,921,359)	(67,275)	(46,372,794)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term debt	20,000,000	-	-
Repurchase of ordinary shares	(38,128)	-	-
Proceeds from preference share issuance	-	-	15,732,562
Common share dividends paid	(6,012,761)	(6,015,655)	(12,026,052)
Repayment of lease liabilities	(1,057,866)	(1,046,549)	(6,021,646)
Repayment of long-term debt	(523,449)	(564,103)	(2,209,013)
Preference share dividends paid	(450,000)	(450,000)	(3,000,000)
Net cash from (used in) financing activities	11,917,796	(8,076,307)	(7,524,149)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,045,834	(2,105,942)	(11,213,314)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,530,502	24,743,816	24,743,816
CASH AND CASH EQUIVALENTS, END OF YEAR	42,576,336	22,637,874	13,530,502
CASH AND CASH EQUIVALENTS IS COMPRISED OF THE FOLLOWING:			
Cash and bank balances	42,595,249	27,682,389	31,706,910
Bank overdraft	(18,913)	(5,044,515)	(18,176,408)
	42,576,336	22,637,874	13,530,502
SUPPLEMENTAL INFORMATION :			
Interest paid on bank overdraft and loans	536,361	407,415	1,808,763
Interest received	1,516	1,926	6,503
NON- CASH TRANSACTION:			
Change in lease liability	-	2,468,265	1,744,586

FOCOL HOLDINGS LIMITED

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED DECEMBER 31, 2023 (UNAUDITED)

1. NATURE OF OPERATIONS

FOCOL Holdings Limited is incorporated under the laws of The Commonwealth of The Bahamas. The consolidated interim financial statements for the three months ended December 31, 2023 comprise of FOCOL Holdings Limited and its subsidiaries (together referred to as "the Group"). The Group operates in the energy sector through its wholly owned subsidiaries as follows:

- Freeport Oil Company Limited;
- Grand Sun Investments Limited;
- Grand Bahama Terminals Limited;
- GAL Terminal Limited;
- Convenience Retailing Limited;
- Sun Services Limited;
- O.R. Services Limited;
- Freeport Oil Holdings Investments Limited and its wholly owned subsidiaries, Sun Oil Limited, Sun Oil Turks and Caicos Limited and Sun Brokerage Co., Ltd. Sun Oil Limited also operates through its 60% voting interest in BTCI Tankers Limited;
- Sun Oil Aviation Limited;
- Sun Marine Limited;
- Boulevard Services Limited;
- Bahamas Utilities Company Limited (formerly Sun Utilities Company Limited);
- Bahamas Utilities Holdings Limited;
- Bahamas Solar & Renewables Company Limited;
- Atlantic International Supply & Trading Limited ("AIST"); and
- Atlantic International Supply & Trading Limited ("AIST-TCI").

2. BASIS OF PREPARATION

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'. They do not include all the information and note disclosures required in the annual financial statements in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the Group's consolidated financial statements for the year ended September 30, 2023.

3. ACCOUNTING POLICIES

The consolidated interim financial statements have been prepared in accordance with the accounting policies included in the Group's consolidated financial statements for the year ended September 30, 2023.

4. ESTIMATES AND JUDGEMENTS

The preparation of consolidated interim financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities, at the date of the consolidated interim financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant judgements, estimates and assumptions applied in these consolidated interim financial statements were the same as those applied in the Group's consolidated financial statements for the year ended September 30, 2023.

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